

07 August 2025

PHILIPPINE STOCK EXCHANGE

PSE Tower, 5th Avenue corner 28th Street,
BGC 1634, Taguig

Attention: Disclosure Department

Re: Submission of Definitive Information Statement
for Special Stockholders' Meeting on 3 September 2025

Gentlemen:

Alternergy Holdings Corporation ("ALTER") respectfully submits the attached Definitive Information Statement and other materials for ALTER's Special Stockholders' Meeting to be held on 3 September 2025.

The foregoing documents are being submitted via electronic mail pursuant to the instruction of the Disclosure Department as the authorized filers are unable to access the PSE EDGE at this time.

We hope you find the foregoing submission in order.

Thank you very much.

Very truly yours,
Alternergy Holdings Corporation

By:


Anna Melissa R. Lichaytoo
Corporate Secretary

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

ATTY. SHERLEEN LOURDS R.
MACATANGAY

Contact Person

8840-3783

Company's Telephone Number

0	6

3	0

Month

Day

Fiscal Year

Definitive Information Statement

FORM TYPE

**2ND Wednesday of
December**

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders.

Domestic

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document I.D.

Cashier

STAMP

Remarks=pls. use black ink for scanning purposes

NOTICE OF THE SPECIAL STOCKHOLDERS' MEETING

Dear Stockholder:

Notice is hereby given that the Special Stockholders' Meeting of **ALTERNERGY HOLDINGS CORPORATION** will be held on 3 September 2025, Wednesday, at 10:00 a.m. via remote communication using the Zoom application. The meeting ID and password will be sent to successful registrants of the Meeting through electronic mail.

The Agenda for the Meeting is as follows:

1. Call to Order;
2. Secretary's Proof of the Required Notice;
3. Proof of the Presence of a Quorum;
4. Reclassification of Common Shares and Amendment of Article Seventh of the Articles of Incorporation;
5. Other Matters;
6. Adjournment.

A brief explanation and rationale for each item of the Agenda is attached as Annex "A" of the Information Statement.

Only stockholders of record and in good standing as of 11 August 2025 will be entitled to notice of, and to vote at, the meeting.

The Guidelines for Registration and Participation in the Meeting, as well as the contact details for any inquiries, are attached as Annex "B" of the Information Statement. Registration will run until 25 August 2025. Stockholders are encouraged to register online at least forty five (45) minutes before the Meeting.

For your convenience, the Corporation will be using the alternative mode for distributing and providing copies of this Notice, Information Statement and other materials for the Special Stockholders' Meeting. In accordance with the Notice of the Securities and Exchange Commission dated 12 March 2025 regarding the Alternative Mode for Distributing and Providing Copies of the Notice of Meeting, Information Statement, and Other Documents in connection with the Holding of Annual Stockholders' Meeting and Special Stockholders' Meeting for the year 2025, a copy of the Definitive Information Statement and other pertinent documents will be available for viewing and downloading at the Corporation's website at www.alternergy.com and PSE Edge at https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=701.

All stockholders are cordially invited to attend the Meeting. Should you, however, be unable to attend, you may designate an authorized representative by submitting a scanned copy of your proxy form to ahc.shareholderregistration@alternergy.com no later than 27 August 2025. All proxies will be validated on 29 August 2025.

Lastly, a visual and audio recording of the Meeting will be secured in compliance with the requirement of the Securities and Exchange Commission.


ANNA MELISSA R. LICHAYTOO
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
Information Statement Pursuant to Section 20
of the Securities Regulation Code

1. Check the appropriate box:
[☐] Preliminary Information Statement
[☒] Definitive Information Statement
2. Name of Registrant as specified in its charter: **ALTERNERGY HOLDINGS CORPORATION**
3. Province, country or other jurisdiction of incorporation or organization : **Metro Manila, Philippines**
4. SEC Identification Number : **CS200909233**
5. BIR Tax Identification Number : **007-315-916**
6. Address of principal office : **Level 3B, 111 Paseo de Roxas Building, Paseo de Roxas Avenue corner Legazpi Street, Legaspi Village, Makati City**
7. Registrant's telephone number, including area code : **(02) 88134678**
8. Date of meeting : **3 September 2025**
Time of meeting : **10:00 a.m.**
Place of meeting : **Virtual meeting via Zoom videoconference**
9. Approximate date on which the Information Statement is first to be sent or given to security holders : **11 August 2025**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate Registrant):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Stock	3,933,840,480
Perpetual Preferred 1	370,398,637
Perpetual Preferred 2 – Series A	100,000,000

11. Are any or all Registrant's securities listed in a Stock Exchange?
Yes [☒]¹ No [☐]

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
Philippine Stock Exchange / Common Stock and Perpetual Preferred Shares 2 – Series A

¹ Only the Corporation's Common Shares and Perpetual Preferred Shares 2 – Series A are listed with the Philippine Stock Exchange. The 370,398,637 issued and outstanding Perpetual Preferred Shares 1 of the Corporation are registered with the Commission but not listed with the Philippine Stock Exchange.

INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of stockholders

(a)	Date	:	3 September 2025
	Time	:	10:00 a.m.
	Place	:	Virtual meeting via Zoom videoconference
	Mailing address of the Corporation	:	Level 3B, 111 Paseo de Roxas Building, Paseo de Roxas Avenue corner Legazpi Street, Legaspi Village, Makati City

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY

The presiding officer shall call and preside over the Special Stockholders' Meeting at the principal office of the Corporation or, if not practicable, in the city or municipality where the principal office of the Corporation is located.

Item 2. Dissenter's Right of Appraisal

Title X, Section 80 of the Revised Corporation Code of the Philippines grants in favor of the stockholder the right to dissent and demand payment of the fair value of his shares in certain instances, to wit: (1) in case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (2) in case of the sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets; (3) in case of merger or consolidation; or (4) in case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

None of the proposed corporate actions to be discussed at the forthcoming Stockholders' Meeting qualifies as an instance for the exercise of the appraisal right by any stockholder.

Item 3. Interest of Certain Persons in Matters to be Acted Upon

- (a) None of the incumbent Directors and Officers of the Corporation or any associate of the foregoing have any substantial interest, direct or indirect, by security holding or otherwise, in any matter to be acted upon in the Special Stockholders' Meeting.
- (b) The Corporation has not received any information from any Director that he/she intends to oppose any matter to be acted upon in the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. **Voting Securities and Principal Holders Thereof**

- (a) The number of shares outstanding and entitled to vote in the stockholders' meeting as of 30 June 2025 is 3,933,840,480 Common Shares and 370,398,637 Perpetual Preferred Shares.

As stated in Article Seventh of the Corporation's Articles of Incorporation, all Common Shares and Perpetual Preferred Shares 1 have full voting rights.

- (b) All stockholders of record as of the close of business on 11 August 2025 are entitled to notice of, and to vote at, the Special Stockholders' Meeting.
- (c) Security ownership of certain record and beneficial owners (more than 5% of voting securities) as of 30 June 2025:

Title of class	Name, address of record owner and relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	PCD Nominee Corporation¹ 29 th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City	Vespers Holdings Corporation Level 3B, 111 Paseo de Roxas Bldg., Paseo de Roxas cor. Legazpi St., Legaspi Village, Makati City (Vicente S. Pérez, Jr.)	Filipino	1,701,166,338	39.47%
		Odin Holdings Corporation 12F Laguna Tower, The Residences at Greenbelt, A. Arnaiz Avenue, San Lorenzo, Makati City (Knud Hedeager)	Filipino	93,133,704	2.16%
		Penhurst Kinetic Corp. Unit 3D, Penhurst Parkplace, 1 st Avenue corner 30 th Avenue, Fort Bonifacio, Taguig City (Gerry P. Magbanua)	Filipino	68,370,061	1.59%
		PCD participants acting on their behalf or for their customers	Filipino	1,190,500,000	27.62%

Common Shares	Odin Holdings Corporation 12F Laguna Tower, The Residences at Greenbelt, A. Arnaiz Avenue, San Lorenzo, Makati City	Knud Hedeager	Danish	273,678,581	6.35%
Common Shares	PCD Nominee Corporation – Non Filipino¹ 29 th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City	PCD participants acting on their behalf or for their customers	Non-Filipino	220,950,312	5.13%
Common Shares	Penhurst Kinetic Corp. Unit 3D, Penhurst Parkplace, 1 st Avenue corner 30 th Avenue, Fort Bonifacio, Taguig City	Gerry P. Magbanua	Filipino	190,847,619	4.43%
Perpetual Preferred Shares 1	Vespers Holdings Corporation Level 3B, 111 Paseo de Roxas Bldg., Paseo de Roxas cor. Legazpi Street, Legaspi Village, Makati City	Vicente S. Pérez, Jr.	Filipino	370,398,637 ²	8.59%

¹PCD is the registered owner of shares held by participants in the Philippine Depository and Trust Co. ("PDTC"), which handles automated securities transactions in the Philippines.

²Inclusive of 150,000 Preferred Shares (as a result of the decrease in par value of the Preferred Shares approved by the SEC on 16 November 2022) transferred to VHC and pending Certificate Authorizing Registration

(d) Security Ownership of Management as of 30 June 2025

Title of Class	Name of Beneficial Owner	Position	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common Shares and Perpetual Preferred Shares 1	Vicente S. Perez, Jr.	Chairman and Director	1,727,877,994 Common Shares and 370,398,637 Perpetual Preferred Shares 1	Filipino	43.86% of Common Shares 100.00% of Perpetual Preferred Shares 1
Common Shares	Gerry P. Magbanua	President, CEO and Director	132,201,027	Filipino	3.36% of Common Shares
Common Shares	Eduardo Martinez Miranda	Director	96,029,073	Filipino	2.44% of Common Shares
Common Shares	Knud Hedeager	Director	358,008,800	Danish	9.09% of Common Shares
Common Shares	Michael James Lichtenfeld	Director	48,119,129	American	1.22% of Common Shares
Common Shares	Janina C. Arriola	Director and Compliance Officer	1,000,000	Filipino	0.03% of Common Shares
Common Shares	Maria Theresa dela Pena Marcial	Independent Director	1	Filipino	Nil
Common Shares	Gregory L. Domingo	Independent Director	1,000,001	Filipino	0.03% of Common Shares
Common Shares	Maria Victoria C. España	Independent Director	11,000	Filipino	Nil
Common Shares	Luisito S. Pangilinan	Treasurer	10,000	Filipino	Nil
Common Shares	Maria Carmen De Gala Diaz	Chief Financial Officer, Chief Sustainability Officer and Chief Risk Officer	107,000	Filipino	Nil
Common Shares	Anna Melissa R. Lichaytoo	Corporate Secretary	N/A	Filipino	N/A

Common Shares	Sherleen Lourds R. Macatangay	Assistant Corporate Secretary	N/A	Filipino	N/A
Total			2,364,025 Common Shares 370,398,637 Perpetual Preferred Shares 1		60.00% of Common Shares 100% of Perpetual Preferred Shares 1

The above list of ownership includes the shares beneficially owned by the Corporation's Directors and Officers.

(e) Voting Trust Holders of 5% or More

The Corporation has no stockholder of record holding more than 5% of the Corporation's Common Shares and Preferred Shares under a voting trust agreement.

(f) Changes in Control

There are no arrangements which may result in a change in control of the Corporation.

Item 5. Directors and Executive Officers

The agenda for the Special Stockholders' Meeting does not include the election of directors.

Item 6. Compensation of Directors and Executive Officers

No action will be presented for stockholders' approval at the Special Stockholders' Meeting that involves (i) election of directors, (ii) any bonus, profit sharing or other compensation plan, contract or arrangement in which any director, nominee for election as a director, or executive officer of the registrant will participate, (iii) any pension or retirement plan in which any such person will participate, or (iv) the granting or extension to any such person of any option/s, warrant/s or right/s to purchase any securities, other than warrants or rights issued to security holders as such, on a pro rata basis.

Item 7. Independent Public Accountants

No action will be presented for stockholders' approval at the Special Stockholders' Meeting that involves the election, approval or ratification of the Corporation's accountant.

Item 8. Compensation Plans

No action shall be taken at the Special Stockholders' Meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

No action will be presented for stockholders' approval at the Special Stockholders' Meeting that involves the authorization or issuance of any securities other than for exchange.

Item 10. Modification or Exchange of Securities

(a) State the Class and Amount thereof

To be presented for approval of the stockholders is the proposal to create new classes of Perpetual Preferred Shares 2 by way of reclassifying the existing Common Shares of the Corporation such that the current Ten Billion Four Hundred Six Million Two Hundred Ninety One Thousand One Hundred Sixty (10,406,291,160) Common Shares with a par value of Ten Centavos (PhP0.10) per share shall be re-classified as follows:

- i. Nine Billion Nine Hundred Six Million Two Hundred Ninety One Thousand One Hundred Sixty (9,906,291,160) Common Shares with a par value of Ten Centavos (PhP0.10) per share;
- ii. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series D with a par value of Ten Centavos (PhP0.10) per share;
- iii. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series E with a par value of Ten Centavos (PhP0.10) per share;
- iv. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series F with a par value of Ten Centavos (PhP0.10) per share;
- v. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series G with a par value of Ten Centavos (PhP0.10) per share; and

- vi. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series H with a par value of Ten Centavos (PhP0.10) per share.

The Corporation is not issuing shares in exchange for outstanding securities simultaneous to the reclassification of the Corporation's Common Shares to Common Shares, Perpetual Preferred Shares 2 – Series D, Perpetual Preferred Shares 2 – Series E, Perpetual Preferred Shares 2 – Series F, Perpetual Preferred Shares 2 – Series G, and Perpetual Preferred Shares 2 – Series H.

- (b) Describe the material difference between the outstanding securities and the modified or new securities

All the Common Shares shall have the same rights as the current Common Shares of the Corporation. All the current issued and outstanding Common Shares shall remain as Common Shares.

The new Perpetual Preferred Shares 2 – Series D, Perpetual Preferred Shares 2 – Series E, Perpetual Preferred Shares 2 – Series F, Perpetual Preferred Shares 2 – Series G, and Perpetual Preferred Shares 2 – Series H shall have the same features as the existing Perpetual Preferred Shares 2 – Series A to C of the Corporation.

- (c) State the reason for the proposed modification or exchange and the general effect thereof upon the rights of the security holders

The reclassification of the Common Shares to Common Shares, Perpetual Preferred Shares 2 – Series D, Perpetual Preferred Shares 2 – Series E, Perpetual Preferred Shares 2 – Series F, Perpetual Preferred Shares 2 – Series G, and Perpetual Preferred Shares 2 – Series H is undertaken in preparation for the Corporation's capital raising exercises.

- (d) Outline briefly any other material features of the proposed modification or exchange

Apart from the features set out in paragraph (b) above, the proposed reclassification of Common Shares has no other material features.

- (e) Furnish the information required by item 11(a)

See item 11 (a) below.

- (f) State whether the registrant intends to apply for listing and registration of the new or reclassified shares with the Exchange

Any future issuance of the Corporation's Common Shares will be applied for listing and registration with the Exchange as the Exchange requires that all issued and outstanding securities of a listed company of the same type and class, including treasury shares, shall be applied for listing in the Exchange. The Corporation may apply for the registration with the

Commission and the listing with the Exchange of the new or reclassified Perpetual Preferred Shares 2 – Series D, Perpetual Preferred Shares 2 – Series E, Perpetual Preferred Shares 2 – Series F, Perpetual Preferred Shares 2 – Series G, and Perpetual Preferred Shares 2 – Series H.

Item 11. Financial and Other Information

- (a) Financial statements meeting the requirements of SRC Rule 68, as amended

The Corporation's unaudited quarterly report for the quarter ending 31 March 2025 is attached to this Information Statement.

- (b) Part III, paragraph (A) of Annex "C", management's discussion and analysis and plan of operation

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

The following discussion and analysis of the Corporation'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 liquidity of the Corporation, its subsidiaries, associates and affiliates (the "Group").

- 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 29 April 2025, 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 29 April 2025.

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

As of the period ended 31 March 2025, the Group has started construction activities of three projects: 128 MW Tanay Wind Project, 64 MW Alabat Wind Project and 28 MW_p Balsik Solar Project as part of the Group's Road to 500 MW by 2026. With this, the Group has committed to spend a total of PhP20 billion of capital expenditures for these three projects, which are expected to be completed in 2025.

To fund these three projects, the Group has secured debt financing of PhP8.0 billion from Bank of the Philippine Islands and Security Bank Corporation for the Tanay Wind Project, and PhP5.3 billion and PhP1.0 billion from Rizal Commercial Banking Corporation for the Alabat Wind Project and Balsik Solar Project, respectively. Of these facilities, the Corporation has made full drawdown for its Balsik Solar Project, and partial drawdowns for the Tanay and Alabat Wind Projects.

The balance will be funded through equity by the Corporation.

- 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 31 March 2025, 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.

For the nine-month period ended 31 March 2025, the 15.3 MW_p Palau Solar PV and 12.9 MWh BESS Project ("Palau Solar and BESS Project"), which started commercial operations on 31 December 2023, accounted for 45% of the Group's generation revenues in 2025.

The Palau Solar and BESS Project, the largest PV and BESS project in the Western Pacific, is the Group's first venture outside of the Philippines, with revenues and tariffs denominated in USD.

- 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.

The wind energy generation of the Pililla Wind Project for the nine-month period ended 31 March 2025 was lower as compared to the previous nine-

month period ended 31 March 2024 which saw higher wind speeds. These values vary year-on-year but even out over the life of a typical wind farm.

FY2025 vs FY2024 Q3 Highlights

As at 31 March 2025 vs 30 June 2024 and for the nine-month and three-month periods ended 31 March 2025 vs 2024

Corporate and Operations

Significant developments of the Group:

- 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 Balsik (Solana) Solar Project.
- On September 2, 2024, the Group commenced the construction of the Balsik (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”). TPLC will consolidate ownership of land used as project sites for the Corporation’s various wind, solar or run-of-river hydro projects. The Corporation envisions TPLC as a platform for a future REIT.
- On October 11, 2024, the Corporation 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, the Tanay Wind Project successfully made its first drawdown from its long-term facility loan agreement with Bank of the Philippine Islands and Security Bank Corporation for PhP1.5 billion.
- 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 PhP40.0 million to be paid to holders of Perpetual Preferred Shares 1 and Perpetual Preferred Shares 2 – Series A. Subsequently, on December 18, 2024, the Corporation remitted a total of PhP117.93 million as coupon payments to Government Service Insurance System, as holder of the Corporation’s Perpetual Preferred Shares 2 – Series A.
- On November 7, 2024, the Group, through AWHC, took full control of the Tablas Strait Offshore Wind Power Corporation which is developing the Tablas Strait 1, 2, and 3 Offshore Wind Projects (collectively, the “Tablas Projects”). AWHC acquired the interest held by Shell Overseas Investment B.V. in the Tablas Projects.
- In November 2024, the Group, through its Alabat Wind Project, signed a long-term lease agreement with the Philippine National Railways (“PNR”) for a

parcel of land located in Lopez, Quezon as the site for the project's switching station.

- On December 18, 2024, the Tanay Wind Project successfully made its second drawdown from its long-term facility loan agreement for PhP2.0 billion.
- On December 19, 2024, the Corporation signed a one-year promissory note with RCBC amounting to PhP500.0 million for general working capital requirements.
- On December 26, 2024, the Balsik (Solana) Solar Project signed an Omnibus Agreement with RCBC for a project finance facility of up to PhP1.0 billion to finance its project costs. This had been subsequently drawn in full as of April 2025.
- On January 20, 2025, the Corporation has appointed two financial advisors, AlphaPrimus Advisors and Astris Finance, for its next capital raising initiative following a rigorous selection process. The said financial advisors will advise on various options for the Corporation's capital raising framework to support the roll-out of its Road to 500 MW capacity target.
- On March 24, 2025, the SEC approved the amendment of its Article Seventh of its Amended Articles of Incorporation to remove the transfer restrictions in respect of its Perpetual Preferred 1 Shares ("PPS1").
- The Corporation has been included in the list of sustainability-based equity investment portfolio managed by fund management firm, ATRAM Trust Corporation ("ATRAM"). The ATRAM Philippine Sustainable Development and Growth Fund ("ATRAM SDG Fund") focuses on investing in companies that contribute to sustainable development and growth, aligning with the United Nation's Sustainable Development Goals ("UN SDGs"). The Corporation joins ATRAM's list of top 20 publicly listed companies under its sustainable equity portfolio that score high in terms of integrating UN SDGs into their operations and strategies. ATRAM particularly noted the comprehensive content laid out in the Corporation's 2024 Sustainability Report and the level of transparency exhibited in the report and the ATRAM Survey, providing insights and guidance for other companies to replicate. The ATRAM Sustainable Investing Champions also recognized the Corporation as one of the outstanding Philippine companies for its commitment in SDG 7 Affordable and Clean Energy and initiatives in sustainability.
- Alternergy Wind Holdings Corporation ("AWHC") has been awarded a new onshore wind power project in the province of Albay by the Department of Energy ("DOE"). The DOE awarded AWHC with a Certificate of Authority ("COA") to exclusively undertake exploration and assessment of wind resources for the Albay Wind Power Project located across seven (7) municipalities in the province of Albay, with a project area of 6,318 hectares that could accommodate at least 150MW wind capacity. The COA, if proven commercially viable, will be converted to a 25-year Wind Energy Service Contract.
- In March 2025, the Balsik Solar Project has received its first tranche of project funding from its lender, Rizal Commercial Banking Corporation ("RCBC"), totaling PhP800.5 million out of the PhP1.03 billion project finance facility, for the ongoing construction works of the 28 MWp Balsik Solar Power Project located in Hermosa, Bataan.
- The Balsik Solar Project's final tranche was drawn in April 2025, amounting to PhP232.5 million, which bodes well towards the completion of the project within Q3 2025 and will start contributing revenues to the Group.

- On April 8, 2025, Alabat Wind Power Corporation (“AWPC”), has taken delivery of the first two (2) units of 8MW wind turbine generators, the largest wind turbine generators to be installed in the Philippines, in Alabat Island, Province of Quezon. Built by Envision Energy for the Alabat Wind Project, the towers have a maximum height of 195 meters, with three (3) blades that are 90 meters long each and having a total wingspan of 182 meters wide.
- On April 10, 2025, AWPC has received PhP3.3 billion from its project lender, Rizal Commercial Banking Corporation (“RCBC”), out of its PhP5.3 billion total project finance facility in respect of the Alabat Wind Power Project, which is expected to reach commercial operations by Q4 2025.

Financials and Key Performance Indicators

Consolidated Statements of Comprehensive Income

The Group posted a consolidated net income of PhP109 million, which includes a one-time gain from the acquisition of the Tablas Offshore Wind Projects, for the nine-month period ended March 31, 2025 compared to the PhP158 million posted in the same period in 2024, which included one-time gain. Recurring net income for this period exceeded target by 23% as more operating assets brought in steady revenue flow, which puts the Group on track to achieving its year-end targets.

Revenue from sale of electricity was significantly higher by 43% at PhP261 million for the nine-month period ended March 31, 2025 as compared to PhP182 million for the same period in 2024. This increase was driven by inclusion of nine-month operating results of the Palau Solar and BESS Project, which now accounts for 45% of the Group’s revenues.

Cost of sale of electricity for the nine-month period ended March 31, 2025 is at PhP130 million, which represents the normal expected level of costs, from PhP49 million in 2024, as there were no related cost of sale for test revenues for the Palau Solar and BESS Project recognized for the same period in 2024.

General and administrative expenses was manageable for the nine-month period ended March 31, 2025 at PhP99 million due to higher taxes and licenses, and one-time write-down of an early-stage, non-viable project in pre-development.

Other charges – net is significantly lower by PhP22 million in 2025 for the nine-month period ended March 31, 2025, owing to higher interest income in 2025 by PhP44 million, but offset by higher finance costs of PhP21 million.

The Group’s earnings before interest, taxes, depreciation and amortization (“EBITDA”) continues to have an uptrend as the nine-month period ended March 31, 2025 is higher by 9% at PhP291 million as compared to PhP267 million for the same period in 2024, while awaiting the completion of four projects under construction with a total capacity of 225 MW.

Consolidated Statements of Financial Position as at March 31, 2025 vs June 30, 2024

Current assets increased by 33% to PhP5 billion as of March 31, 2025.

The Group's cash remains robust at PhP3.2 billion as of March 31, 2025, increasing from PhP2.6 billion as of June 30, 2024, after significant investments of PhP3.9 billion to jumpstart construction of Tanay, Alabat, Balsik, Dupinga and Kiangnan Projects, including a dividend payment of PhP40 million. As of March 31, 2025, successful loan drawdowns were made amounting to PhP500 million by ALTER, PhP3.5 billion the Tanay Wind Project and PhP800.5 million the Balsik Solar Project.

Consolidated assets of the Group increased to PhP14 billion as of March 31, 2025, up from PhP9 billion as of June 30, 2024.

Current liabilities increased by PhP905 million from PhP745.4 million as of June 30, 2024 to PhP1.7 billion as of March 31, 2025. This was mostly due to the short-term loan entered into by ALTER for PhP500 million for general working capital requirements, partially offset by the payment of third party advances amounting to PhP214 million.

Noncurrent liabilities was higher as at March 31, 2025 at PhP8 billion from PhP3.7 billion as at June 30, 2024 mainly due to the drawdowns made by ALTER, the Tanay Wind Project, and Balsik Solar Project.

Equity remained steady at PhP4.3 billion, with the Group's consolidated debt-to equity ratio at a manageable level of 1.9:1.0 as of March 31, 2025 from 0.9:1.0 as of June 30, 2024. Consolidated retained earnings significantly grew to PhP138 million as at March 31, 2025 as compared to PhP67 million as at June 30, 2024.

(c) Part III, paragraph (B) of Annex "C", changes in and disagreements with accountants on accounting and financial disclosures

The Corporation's current auditor, SyCip, Gorres, Velayo & Co. ("SGV"), has been the Company's auditor since its incorporation.

Under the Revised Securities Regulation Code (SRC) Rule 68, the external auditor shall comply with the provisions on the long association of personnel (including partner rotation) with an audit client as prescribed in the Code of Ethics for Professional Accountants in the Philippines adopted by the Board of Accountants and by the Professional Regulation Commission and such other standards as may be adopted by the Securities and Exchange Commission.

The key audit partner is required to be rotated after having served seven (7) years as the key audit partner of a company. As an exception, however, the Code of Ethics for Professional Accountants provide that if the individual has served as the key audit partner for a period of six (6) or more cumulative years at the time a company becomes a public interest entity, the same individual may continue to serve as the key audit partner for a maximum of two (2) additional years, with the concurrence of those charged with governance before being replaced.

The previous key audit partner in charge of the Corporation, Ms. Leovina Mae V. Chu, was first appointed for the audit period of December 2017. As the Corporation became a public interest entity in March 2023, which is within the fiscal year ending 30 June 2023, Ms. Chu was allowed to act as the Corporation's key audit partner for an additional two (2) years, or until the fiscal year ending 30 June 2024. In compliance with the Code of Ethics for Professional Accountants, Ms. Chu was replaced by Ms. Jhoanna Feliza C. Go as the Corporation's key audit partner in charge for the fiscal year ending 30 June 2025.

There were no changes in, or disagreements with, the Corporation's accountants on any accounting and financial disclosure during the past two years ended 30 June 2024 or during any subsequent interim period.

- (d) A statement as to whether or not representatives of the principal accountants for the current year and for the most recently completed fiscal year are (i) expected to be present at the Special Stockholders' Meeting, (ii) will have the opportunity to make a statement if they desire to do so, and (iii) are expected to be available to respond to appropriate questions

Representatives from SGV & Co., the Corporation's external auditor, are expected to be present at the upcoming Special Stockholders Meeting, where they will have the opportunity to make a statement if they desire to do so and/or respond to appropriate questions raised by stockholders.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action will be presented for stockholders' approval at the Special Stockholders' Meeting with respect to (i) the merger or consolidation of the Corporation with any other person, (ii) acquisition by the Corporation or any of its stockholders of securities of another person, (iii) acquisition by the Corporation of any other going business or of the assets thereof, (iv) the sale or transfer of all or any substantial part of the assets of the Corporation, nor (v) liquidation or dissolution of the Corporation.

Item 13. Acquisition or Disposition of Property

No action will be presented for stockholders' approval at the Special Stockholder's Meeting with respect to acquisition or disposition of property of the Corporation.

Item 14. Restatement of Accounts

No action will be presented for stockholders' approval at the Special Stockholders' Meeting which involves the restatement of any of the Corporation's assets, capital or surplus account.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

No action will be presented for stockholders' approval at the Special Stockholders' Meeting which involves any report of the Corporation or of its Directors, Officers or Committees or Minutes of any meeting of the stockholders.

Item 16. Matters Not Required to be Submitted

No action will be presented for stockholders' approval at the Special Stockholders' Meeting which involves any matter which is not required to be submitted to a vote of the stockholders.

Item 17. Amendment of Charter, By-Laws or Other Documents

To be presented for consideration of the stockholders is the amendment of Article Seventh of the Corporation's Amended Articles of Incorporation to reflect the reclassification of the Corporation's current Ten Billion Four Hundred Six Million Two Hundred Ninety One Thousand One Hundred Sixty (10,406,291,160) Common Shares with a par value of Ten Centavos (PhP0.10) per share as follows:

- i. Nine Billion Nine Hundred Six Million Two Hundred Ninety One Thousand One Hundred Sixty (9,906,291,160) Common Shares with a par value of Ten Centavos (PhP0.10) per share;
- ii. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series D with a par value of Ten Centavos (PhP0.10) per share;
- iii. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series E with a par value of Ten Centavos (PhP0.10) per share;
- iv. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series F with a par value of Ten Centavos (PhP0.10) per share;
- v. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series G with a par value of Ten Centavos (PhP0.10) per share; and
- vi. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series H with a par value of Ten Centavos (PhP0.10) per share.

The details of the reclassification of the Common Shares to Common Shares, Perpetual Preferred Shares 2 – Series D, Perpetual Preferred Shares 2 – Series E, Perpetual Preferred Shares 2 – Series F, Perpetual Preferred Shares 2

– Series G, and Perpetual Preferred Shares 2 – Series H are discussed under Item 10 above.

The reclassification of the Common Shares to Common Shares, Perpetual Preferred Shares 2 – Series D, Perpetual Preferred Shares 2 – Series E, Perpetual Preferred Shares 2 – Series F, Perpetual Preferred Shares 2 – Series G, and Perpetual Preferred Shares 2 – Series H is undertaken in preparation for the Corporation’s capital raising exercises.

All the Common Shares shall have the same rights as the current Common Shares of the Corporation. All the current issued and outstanding Common Shares shall remain as Common Shares.

The new Perpetual Preferred Shares 2 – Series D, Perpetual Preferred Shares 2 – Series E, Perpetual Preferred Shares 2 – Series F, Perpetual Preferred Shares 2 – Series G, and Perpetual Preferred Shares 2 – Series H shall have the same features as the existing Perpetual Preferred Shares 2 – Series A to C of the Corporation.

The proposed Amended Articles of Incorporation reflecting the aforementioned amendments (appearing in bold and underlined) are as follows:

Original Provision	Proposed Revision
SEVENTH: That the authorized capital stock of the corporation is One Billion One Hundred Eighty Eight Million Seven Hundred Eighty Eight Thousand Five Hundred Seventy and 80/100 Pesos (PhP1,188,788,570.80) in lawful money of the Philippines, divided into eleven billion eight hundred eighty seven million eight hundred eighty five thousand seven hundred eight (11,887,885,708) shares, divided into ten billion four hundred six million two hundred ninety one thousand one hundred sixty (10,406,291,160) common shares with a par value of Ten Centavos (P0.10) per share and one billion four hundred eighty one million five hundred ninety four thousand five hundred forty eight (1,481,594,548) preferred shares with a par value of Ten Centavos (P0.10) per share. The Preferred Shares are further sub-divided as follows:	SEVENTH: That the authorized capital stock of the corporation is One Billion One Hundred Eighty Eight Million Seven Hundred Eighty Eight Thousand Five Hundred Seventy and 80/100 Pesos (PhP1,188,788,570.80) in lawful money of the Philippines, divided into eleven billion eight hundred eighty seven million eight hundred eighty five thousand seven hundred eight (11,887,885,708) shares, divided into <u>nine billion nine hundred six million two hundred ninety one thousand one hundred sixty (9,906,291,160)</u> common shares with a par value of Ten Centavos (P0.10) per share and <u>one billion nine hundred eighty one million five hundred ninety four thousand five hundred forty eight (1,981,594,548)</u> preferred shares with a par value of Ten Centavos (P0.10) per share. The Preferred Shares are further sub-divided as follows:

a. One Billion One Hundred Eighty One Million Five Hundred Ninety Four Thousand Five Hundred Forty Eight (1,181,594,548) Preferred Shares shall be known as “Perpetual Preferred Shares 1” with a par value of Ten Centavos (PhP0.10) per share; b. Three Hundred Million (300,000,000) Preferred Shares shall be known as “Perpetual Preferred Shares 2” with a par value of Ten Centavos (PhP0.10) per share and shall be further subdivided as follows: 1. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series A with a par value of Ten Centavos (PhP0.10) per share; 2. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series B with a par value of Ten Centavos (PhP0.10) per share; and 3. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series C with a par value of Ten Centavos (PhP0.10) per share. Subscriptions – Subscribers to the Common Shares and Perpetual Preferred Shares 1 of the Corporation shall pay the value of the stock in	a. One Billion One Hundred Eighty One Million Five Hundred Ninety Four Thousand Five Hundred Forty Eight (1,181,594,548) Preferred Shares shall be known as “Perpetual Preferred Shares 1” with a par value of Ten Centavos (PhP0.10) per share; b. <u>Eight</u> Hundred Million <u>(800,000,000)</u> Preferred Shares shall be known as “Perpetual Preferred Shares 2” with a par value of Ten Centavos (PhP0.10) per share and shall be further subdivided as follows: 1. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series A with a par value of Ten Centavos (PhP0.10) per share; 2. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series B with a par value of Ten Centavos (PhP0.10) per share; and 3. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series C with a par value of Ten Centavos (PhP0.10) per share; 4. <u>One Hundred Million (100,000,000) Perpetual Preferred</u>

accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall not earn interest unless determined by the Board of Directors.

Voting Rights – All Common Shares and Perpetual Preferred Shares 1 shall have full voting rights. The Perpetual Preferred Shares 1 shall have the following features, which shall be printed on the relevant stock certificate issued by the Corporation:

Dividends - Holders of the Perpetual Preferred Shares 1 shall be entitled to receive out of the unrestricted retained earnings of the Corporation, when and as declared by the Corporation's Board, cumulative dividends at the rate of eight percent (8%) of the par value of the Perpetual Preferred Shares 1, accrued from the date of issuance of the Perpetual Preferred Shares 1 up to the date of issuance of the Perpetual Preferred Shares 2, before any dividends shall be set aside and paid to holders of the Perpetual Preferred Shares 2 and Common Shares. Any dividends remaining after such payment to the Perpetual Preferred Shares 1 shall be set aside and paid to the holders of the Perpetual Preferred Shares 1 and Perpetual Preferred Shares 2 on a pro rata basis before the holders of the Common Shares. Holders of the Perpetual Preferred Shares 1 shall not be entitled to participate with holders of the Common Shares in any further dividends payable to the Corporation.

Redemption - The Corporation may redeem the Perpetual Preferred Shares 1 at par value (i) when the foreign equity limits imposed by the Philippine

Shares 2 – Series D with a par value of Ten Centavos (PhP0.10) per share;

5. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series E with a par value of Ten Centavos (PhP0.10) per share;

6. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series F with a par value of Ten Centavos (PhP0.10) per share;

7. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series G with a par value of Ten Centavos (PhP0.10) per share; and

8. One Hundred Million (100,000,000) Perpetual Preferred Shares 2 – Series H with a par value of Ten Centavos (PhP0.10) per share.

Subscriptions – Subscribers to the Common Shares and Perpetual Preferred Shares 1 of the Corporation shall pay the value of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall

Constitution on entities engaged in the exploration, development, utilization and operation of natural resources for renewable energy projects in the Philippines shall have been removed; and (ii) the Corporation is not engaged in any other activity likewise reserved exclusively to Filipino citizens, or corporations or associations at least sixty per centum (60%) of whose capital is owned by Filipino citizens that would otherwise require the Corporation to maintain the ownership of the Preferred Shares by such Filipino citizens.

Preference in Liquidation - In the event of any dissolution or liquidation or winding up, whether voluntary or involuntary, the Corporation, except in connection with a merger or consolidation, holders of the Perpetual Preferred Shares 1 and Perpetual Preferred Shares 2 shall be entitled to be paid in full, or pro rata insofar as the assets and properties of the Corporation will permit, the par value of each Perpetual Preferred Share 1 and the offer price of each Perpetual Preferred Share 2 before any distribution shall be made to holders of the Common Shares, and shall not be entitled to be paid in full, or pro rata insofar as any remaining assets and properties of the Corporation will permit, the par value of each Common Share.

After the distributions pursuant to the above paragraph shall have been made, the remaining assets and properties of the Corporation shall be distributed pro rata to the holders of the Common Shares.

Non-Convertible - The Perpetual Preferred Shares 1 shall not be convertible to any shares of stock

not earn interest unless determined by the Board of Directors.

Voting Rights - All Common Shares and Perpetual Preferred Shares 1 shall have full voting rights. The Perpetual Preferred Shares 1 shall have the following features, which shall be printed on the relevant stock certificate issued by the Corporation:

Dividends - Holders of the Perpetual Preferred Shares 1 shall be entitled to receive out of the unrestricted retained earnings of the Corporation, when and as declared by the Corporation's Board, cumulative dividends at the rate of eight percent (8%) of the par value of the Perpetual Preferred Shares 1, accrued from the date of issuance of the Perpetual Preferred Shares 1 up to the date of issuance of the Perpetual Preferred Shares 2, before any dividends shall be set aside and paid to holders of the Perpetual Preferred Shares 2 and Common Shares. Any dividends remaining after such payment to the Perpetual Preferred Shares 1 shall be set aside and paid to the holders of the Perpetual Preferred Shares 1 and Perpetual Preferred Shares 2 on a pro rata basis before the holders of the Common Shares. Holders of the Perpetual Preferred Shares 1 shall not be entitled to participate with holders of the Common Shares in any further dividends payable to the Corporation.

Redemption - The Corporation may redeem the Perpetual Preferred Shares 1 at par value (i) when the foreign equity limits imposed by the Philippine Constitution on entities engaged in the exploration, development, utilization and operation of natural resources for renewable energy projects in the Philippines shall have

of the Corporation of any class now or hereafter authorized.

In all cases of redemption of the Perpetual Preferred Shares 1, the Corporation will only exercise its authority or option to redeem the Perpetual Preferred Shares 1 on the condition that the Corporation first pays in full all cumulative dividends then outstanding on the Perpetual Preferred Shares 1 and Perpetual Preferred Shares 2, and on the further condition that the Corporation shall not, as a result of the redemption, reduce the ownership of Filipino citizens in the Corporation to less than the percentage of capital stock required by the law. For this purpose, the Corporation shall have the authority to designate qualified Philippine holders to purchase directly from the transferors the Perpetual Preferred Shares 1 subject to the Corporation's redemption right. Once redeemed by the Corporation, the Perpetual Preferred Shares 1 shall become treasury shares which may be reissued or resold by the Corporation on the same terms as their original issuance.

The Perpetual Preferred Shares 2 shall have the following features which features shall be printed on the relevant stock certificate issued by the Corporation:

- a. With dividend rate to be determined by the Board 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);

been removed; and (ii) the Corporation is not engaged in any other activity likewise reserved exclusively to Filipino citizens, or corporations or associations at least sixty per centum (60%) of whose capital is owned by Filipino citizens that would otherwise require the Corporation to maintain the ownership of the Preferred Shares by such Filipino citizens.

Preference in Liquidation - In the event of any dissolution or liquidation or winding up, whether voluntary or involuntary, the Corporation, except in connection with a merger or consolidation, holders of the Perpetual Preferred Shares 1 and Perpetual Preferred Shares 2 shall be entitled to be paid in full, or pro rata insofar as the assets and properties of the Corporation will permit, the par value of each Perpetual Preferred Share 1 and the offer price of each Perpetual Preferred Share 2 before any distribution shall be made to holders of the Common Shares, and shall not be entitled to be paid in full, or pro rata insofar as any remaining assets and properties of the Corporation will permit, the par value of each Common Share.

After the distributions pursuant to the above paragraph shall have been made, the remaining assets and properties of the Corporation shall be distributed pro rata to the holders of the Common Shares.

Non-Convertible - The Perpetual Preferred Shares 1 shall not be convertible to any shares of stock of the Corporation of any class now or hereafter authorized.

In all cases of redemption of the Perpetual Preferred Shares 1, the

d. Non-participating in (i) any other further cash, property or stock dividends beyond that specifically determined at the time of issuance, and (ii) 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 Board of Directors at the time of issuance; g. Redeemable at the option of the Corporation under such terms that the Board of Directors 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 Board of Directors may approve at the time of re-issuance; and k. May be transferred to foreign citizens, corporations and associations. No share of stock against which the Corporation holds unpaid claims shall be transferable in the books of the Corporation.	Corporation will only exercise its authority or option to redeem the Perpetual Preferred Shares 1 on the condition that the Corporation first pays in full all cumulative dividends then outstanding on the Perpetual Preferred Shares 1 and Perpetual Preferred Shares 2, and on the further condition that the Corporation shall not, as a result of the redemption, reduce the ownership of Filipino citizens in the Corporation to less than the percentage of capital stock required by the law. For this purpose, the Corporation shall have the authority to designate qualified Philippine holders to purchase directly from the transferors the Perpetual Preferred Shares 1 subject to the Corporation's redemption right. Once redeemed by the Corporation, the Perpetual Preferred Shares 1 shall become treasury shares which may be reissued or resold by the Corporation on the same terms as their original issuance. The Perpetual Preferred Shares 2 shall have the following features which features shall be printed on the relevant stock certificate issued by the Corporation: a. With dividend rate to be determined by the Board 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 (i) any other further cash, property or stock dividends beyond that specifically determined at the time of issuance, and (ii) distribution of corporate assets

All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of cancellation, and attached to the corresponding stub with the certificate book. The shareholders of the Corporation, regardless of the class of shares held, shall have no pre-emptive right to purchase or subscribe for any shares of stock of the Corporation of any class now or hereafter authorized, or reissued from treasury. The Corporation shall comply with the lock-up requirement provided under the Listing Rules for the Main and Small, Medium and Emerging Board of The Philippine Stock Exchange, Inc. (the "Exchange"), subject to any waiver or exemption that may be granted by the Exchange in respect of such lock-up requirement.	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 Board of Directors at the time of issuance; g. Redeemable at the option of the Corporation under such terms that the Board of Directors 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 Board of Directors may approve at the time of re-issuance; and k. May be transferred to foreign citizens, corporations and associations. No share of stock against which the Corporation holds unpaid claims shall be transferable in the books of the Corporation. All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of cancellation, and attached to the corresponding stub with the certificate book.

	The shareholders of the Corporation, regardless of the class of shares held, shall have no preemptive right to purchase or subscribe for any shares of stock of the Corporation of any class now or hereafter authorized, or reissued from treasury. The Corporation shall comply with the lock-up requirement provided under the Listing Rules for the Main and Small, Medium and Emerging Board of The Philippine Stock Exchange, Inc. (the "Exchange"), subject to any waiver or exemption that may be granted by the Exchange in respect of such lock-up requirement.

The proposed amendments to the Corporation's Amended Articles of Incorporation have been approved by the Board of Directors in its meeting held on 15 July 2025.

Item 18. Other Proposed Action

No other action will be presented for stockholders' approval at the Special Stockholders' Meeting.

Item 19. Voting Procedures

- (a) All Common Shares and Perpetual Preferred Shares 1 shall have full voting rights.
- (b) Required Voting:

Agenda Item No.	Subject Matter	Vote Required
4	Reclassification of Common Shares and Amendment of Article Seventh of the Amended Articles of Incorporation	Affirmative vote of stockholders representing at least two-thirds (2/3) of the outstanding capital stock

- (c) Voting shall be done by remote communication and *in absentia* in accordance with the Guidelines for Registration and Participation attached as Annex “B” of this Information Statement. The counting of votes shall be conducted by the Corporate Secretary (or her duly authorized representative) to be assisted by the Corporation’s Stock Transfer Agent.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on 7 August 2025.

ALTERNERGY HOLDINGS CORPORATION

By:


ANNA MELISSA R. LICHAYTOO
Corporate Secretary

Details and Rationale of the Agenda

1. **Call to Order.** The Chairman of the meeting shall call the meeting to order and welcome the attendees to the Special Stockholders’ Meeting.
2. **Secretary’s Proof of the Required Notice.** The Corporate Secretary, Atty. Anna Melissa R. Lichaytoo, is expected to submit evidence of publication of the Notice in accordance with existing regulations of the Securities and Exchange Commission.
3. **Proof of the Presence of a Quorum.** As required by law, a quorum is necessary for the valid conduct of business at the meeting. Based on the corporate By-Laws, in all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum.
4. **Reclassification of Common Shares and Amendment of Article Seventh of the Amended Articles of Incorporation.** The reclassification of the Corporation’s current Common Shares to Common Shares, Perpetual Preferred Shares 2 – Series D, Perpetual Preferred Shares 2 – Series E, Perpetual Preferred Shares 2 – Series F, Perpetual Preferred Shares 2 – Series G, and Perpetual Preferred Shares 2 – Series H and the corresponding amendment of the Corporation’s Amended Articles of Incorporation, as discussed under Items 10 and 17 of the Information Statement, will be submitted to the stockholders for approval.
5. **Other Matters.** Other matters arising subsequent to the sending out of the Notice of the Meeting and the Agenda, and as may be relevant to the Special Stockholders’ Meeting, may be presented to the stockholders for consideration
6. **Adjournment.** Upon consideration of all matters included in the Agenda, the Chairman shall declare the meeting adjourned.

**ALTERNERGY HOLDINGS CORPORATION
(GUIDELINES FOR SPECIAL STOCKHOLDERS’ MEETING
ON 3 SEPTEMBER 2025)**

As provided in the Notice to Stockholders released on 11 and 12 August 2025, the Special Stockholders’ Meeting of the Corporation shall be held via remote communication using the Zoom videoconferencing platform.

The steps to registration, voting, and validation are as follows:

STEP 1: REGISTRATION

To participate, Stockholders are requested to register through https://bit.ly/registerAHCSSM_2025-09-03. Registration will run from 12 August 2025 to 25 August 2025. The information required for the initial registration are as follows:

a. For Individual and/or Corporate Stockholders under Broker Accounts:

- Complete name of the Stockholder;
- Valid and active e-mail address of the Stockholder;
- Valid and active contact number (landline or mobile number) of the Stockholder;
- TIN of the stockholder;
- **If Corporate under Broker Accounts:** valid and active e-mail address of the Stockholder’s representative.

b. For Certificated (Nonscripless) Individual Stockholders:

- Complete name of the Stockholder;
- Valid and active e-mail address of the Stockholder;
- Valid and active contact number (landline or mobile number) of the Stockholder;
- Tax Identification Number (TIN) of the Stockholder;
- **If voting through Proxy:** valid and active e-mail address of the Stockholder’s representative.

c. For Certificated (Nonscripless) Stockholders with Joint Accounts:

- Complete name of the Stockholders with Joint Accounts;
- Valid and active e-mail address of the Stockholders with Joint Accounts;
- Valid and active contact number (landline or mobile number) of the Stockholders with Joint Accounts;
- Tax Identification Number (TIN) of the Stockholders with Joint Accounts;
- Valid and active e-mail address of the representative of the Stockholders with Joint Accounts;

d. For Certificated (Nonscripless) Corporate Stockholders:

- Complete name of the Stockholder;
- Valid and active e-mail address of the Stockholder’s representative;
- Valid and active contact number of the Stockholder’s representative (landline or mobile number);
- Tax Identification Number (TIN) of the Stockholder;

After registration pursuant to the first step above, the Stockholders shall upload the required documentation enumerated in Step 2 below using the same registration link https://bit.ly/registerAHCSSM_2025-09-03.

STEP 2: STOCKHOLDER SUPPORTING DOCUMENTS

The documents must be in a digital, JPG or PDF format with each file size no larger than 2MB. Valid government-issued photo IDs include the following: Driver's License, Passport, Unified Multi-Purpose ID, Professional Regulation Commission ID, SSS ID, Pag-Ibig ID, Senior Citizen ID, Postal ID, Voter's ID and GSIS ID.

a. Stockholders under Broker Accounts

- If an individual stockholder:
 - i. A scanned copy of the front and back portions of the Stockholder's valid government issued photo ID with residential address.
 - ii. A scanned copy of the broker's certification, signed by the duly authorized signatory/ies of the broker, regarding the Stockholder's number of shareholdings, as of Record Date, August 11, 2025.
- If a Stockholder with Joint Accounts:
 - i. A scanned copy of the authorization letter signed by all Stockholders owning the shares jointly providing who among them is authorized to cast the vote for the account.
 - ii. A scanned copy of the front and back portions of the representative's valid government issued photo ID with residential address.
 - iii. A scanned copy of the broker's certification, signed by the duly authorized signatory/ies of the broker, regarding the Stockholder's number of shareholdings, as of Record Date, August 11, 2025.
- If a corporate stockholder:
 - i. A scanned copy of a board resolution/Secretary's Certificate attesting to the authority of the representative to vote for and on behalf of the Corporation.
 - ii. A scanned copy of the front and back portions of the valid government-issued photo ID of the Stockholder's representative with residential address.
 - iii. A scanned copy of the duly notarized Proxy Form (which form is attached in this Information Statement for the Stockholders' consideration) signed by the Stockholder to cast the vote for the account.
 - iv. A scanned copy of the broker's certification, signed by the duly authorized signatory/ies of the broker, regarding the Stockholder's number of shareholdings, as of Record Date, August 11, 2025.

b. For Certificated (Nonscripless) Individual Stockholder

- A scanned copy of the front and back portions of the Stockholder's valid government issued photo ID with residential address.
If voting via Proxy: A scanned copy of the duly notarized Proxy Form signed by the Stockholder to cast the vote for the account.

c. For Certificated (Nonscripless) Stockholders with Joint Accounts

- In addition to the requirements for individual stockholders, a scanned copy of the authorization letter signed by all Stockholders owning the shares jointly providing who among them is authorized to cast the vote for the account.

d. For Certificated (Nonscripless) Corporate Stockholders

- A scanned copy of a board resolution/Secretary's Certificate attesting to the authority of the representative to vote for and on behalf of the corporation.
- A scanned copy of the front and back portions of the valid government-issued photo ID of the Stockholder's representative with residential address.
- A scanned copy of the duly notarized Proxy Form (which form is attached in this Information Statement for the Stockholders' consideration) signed by the Stockholder to cast the vote for the account.

STEP 3: VALIDATION AND VOTING

- All successfully registered individual stockholders, having submitted to the Corporation their supporting documentation, will receive an electronic mail with an official ballot form, which they must accomplish and submit to ahc.shareholderregistration@alternergy.com on or before 27 August 2025.
- Individual and Corporate stockholders voting via Proxy should accomplish and submit their duly executed Proxy Forms pursuant to step 2 above and no later than 27 August 2025.
- Validation of the proxies shall be held on 29 August 2025. Please take note that the Corporation is not asking for or soliciting proxies.
- Stockholders who have successfully registered but did not send their votes for the matters presented for approval on or before 27 August 2025 will be deemed to have abstained from voting on all matters presented for approval. While stockholders are not required to send their Proxy nor is the Corporation soliciting proxies, a sample Proxy Form is attached to this Information Statement for ease of use of the stockholders. Stockholders are not required to use the Proxy Form attached to this Information Statement and may use their own Proxy Form.

REMINDERS

- To expedite verification of your status, we encourage Stockholders to register ahead of the 25 August 2025 deadline for registration. In order for your votes to be counted, please ensure that Proxy Forms or Voting Ballots are received by the Corporation no later than 27 August 2025.
- All successfully registered stockholders, having submitted to the Corporation their supporting documentation, will receive an electronic mail containing the official ballot form set forth above as well as the Meeting ID and password, including the rules and procedures for the meeting.
- We advise all Stockholders to log onto the meeting link at least forty five (45) minutes before the meeting starts, to avoid any technical difficulty.
- Only Stockholders who have notified the Corporation of his/her/its intention to participate in the Meeting by remote communication, have registered therewith or sent in their proxies, will be included in the determination of the existence of a quorum.

QUESTIONS

Inquiries and/or comments limited to the items in the Agenda of the Meeting may be sent to ahc.shareholderregistration@alternergy.com on or before 1 September 2025. Inquiries and/or comments received after the deadline shall be referred to the Corporation's Investor Relations Office for the appropriate response.

ALTERNERGY HOLDINGS CORPORATION (“AHC”) is **not soliciting proxies** and a stockholder is **NOT** required to submit a proxy to AHC. This Proxy form is being provided only for the convenience, and upon request, of a stockholder.

PROXY FORM

THE UNDERSIGNED shareholder of **ALTERENERGY HOLDINGS CORPORATION** hereby appoints:

or in its/his/her absence, the Chairman of the Meeting, as its/his/her true and lawful attorney-in-fact or proxy to represent one hundred percent (100%) of its/his/her voting rights and to vote on its/his/her behalf at the Special Stockholders' Meeting of the Corporation to be held on 3 September 2025, as follows:

	For	Against	Abstain
1. Reclassification of Common Shares and Amendment of Article Seventh of the Amended Articles of Incorporation	☐	☐	☐

For any other matter arising during the meeting, the above-named proxy is authorized to vote as he/she may deem fit. This proxy revokes and supersedes any proxy or proxies the undersigned may have previously executed and shall not apply in instances where the undersigned personally attends such stockholders' meeting.

IN WITNESS WHEREOF, the undersigned stockholder has executed this proxy this _____ day of _____ 2025 in _____.

(name in print below signature)

SIGNED IN THE PRESENCE OF:

REPUBLIC OF THE PHILIPPINES)
) SS.

SUBSCRIBED AND SWORN to before me this this _____ in _____, affiant exhibited to me his/her _____ issued on _____ at _____.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2025.



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



The following document has been received:

Receiving: ICTD ERMD

Receipt Date and Time: September 25, 2024 09:35:24 PM

Company Information

SEC Registration No.: CS200909233

Company Name: ALTERNERGY HOLDINGS CORPORATION

Industry Classification: J66940

Company Type: Stock Corporation

Document Information

Document ID: OST10925202482905863

Document Type: Financial Statement

Document Code: FS

Period Covered: June 30, 2024

Submission Type: Consolidated

Remarks: None

Acceptance of this document is subject to review of forms and contents

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

06

30

Month

Day

Fiscal Year

17 - A

Form Type

12

11

Month

Day

Annual Meeting

Not applicable

(Secondary License Type, If Applicable)

MSRD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

986

Total No. of Stockholders

Total Amount of Borrowings

X

Domestic

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-A, *AS AMENDED*

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended June 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 City 1229
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 ☐

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. **As at June 30, 2024, ₱960,473,961 equivalent to 1,333,991,613 shares, the total number of shares in the hands of the public based on the Company's Public Ownership Report, multiplied by the closing price on the last trading day of ₱0.72.**

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Not applicable

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

- (a) Audited Parent Company Financial Statements of Alternergy Holdings Corporation as at June 30, 2024 and 2023, and for the years ended June 30, 2024 and 2023 (with BIR ITR Filing Reference)
- (b) Audited Consolidated Financial Statements as at June 30, 2024 and 2023, and for the years ended June 30, 2024 and 2023, and for the six-month period ended June 30, 2022, including Supplementary Schedules
- (c) 2024 Annual Sustainability Report

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SIGNATURES

PART I. BUSINESS AND GENERAL INFORMATION

Item 1. Business

Alternergy Holdings Corporation, (“Alternergy”, “ALTER”, or the “Company”) is a renewable energy holding company that has a portfolio of investee companies which own, construct, install, operate, and maintain different renewable energy projects such as wind, solar, run-of-river hydro, and battery storage power projects. Its vision is to be a leading renewable energy firm in the Philippines and strive to create a more sustainable future for the next generation. Alternergy is listed in the Philippine Stock Exchange, Inc. (“PSE”) under the stock symbol “ALTER”.

Alternergy was founded by a management team led by former Philippine Energy Secretary Vicente Pérez (2001–2005), key members of which were involved in the 33 MW Bangui Bay wind farm in North Luzon, the first commercial wind farm in Southeast Asia. Three of Alternergy’s founding partners were involved in the development of Bangui Bay wind farm. After the project’s completion, these partners, Knud Hedeager (2005), Vicente Pérez (2007), and Gerry Magbanua (2008) came together to create Alternergy, applying what they learned from Bangui Bay to break new ground on more renewable energy projects. Knud Hedeager likewise developed the Commonal-Uddiawan 1.8 MW run-of-the-river Mini-Hydro Project in Solano, Nueva Vizcaya in December 2010, before the creation of Alternergy’s mini hydro portfolio. Michael Lichtenfeld is a former Director of Utility Project Development at SunEdison in San Francisco, responsible for the entire western US, focused on Nevada and California solar markets. He led the development of the 24.8MW_p Apex Solar Project, the 25.0 MW_p Vega Solar Project, and the 38.5 MW_p Spectrum Solar Project. Janina C. Arriola, a member of Alternergy’s senior management team, co-founded Winnergy Holdings Corporation, the renewable energy company that built the first-ever pilot floating solar farm in the Philippines.

Alternergy’s management team has extensive background in power development, energy policy, and emerging markets and has pioneering experience in wind power in Southeast Asia. Since 2008, Alternergy has served as a clean energy pioneer in the Philippines and has developed 67.24 MW of operating assets in wind and solar. Alternergy is anticipating rapid growth with a pipeline of assets in hydro, wind, and solar under development, with potential installed capacity of up to 500 MW by the end of 2026, almost 500% increase in 3 years.

The Three P’s of Alternergy



The co-founders of Alternergy have impeccable knowledge on energy policy, extensive experience in power development and pioneering capability in wind power. In June 2005, the 25 MW Bangui Bay wind farm, the first wind farm in Southeast Asia, started its commercial operations. The success of the project can be attributed to the technical expertise of four of Bangui Bay’s project partners who became the co-founders of Alternergy. This flagship paved the way for future renewables growth. We pride ourselves with fundamental achievements with extensive list of “firsts” in clean energy development in the country which will be expounded in this report.



As a trusted partner, we have cultivated a long period of successful partnerships to bring our RE projects into reality. Our policy to create a more sustainable future for the next generation is anchored on our Triple Play Portfolio. Alternergy covers most of the key RE resources in solar, wind, run-of-river hydro, and battery storage plants. The ingenuity of Triple Play allows for a diversified mix of complementary power generation revenues. The different seasonality of solar, wind and hydro power energy resources, produce a steady cash flow for Alternergy. In addition, Triple Play can provide a 24-hour clean energy supply to green option customers.



Our well-planned and cost-effective RE projects are a true testament of our capabilities. From securing power supply agreements, to working with permitting government agencies, lenders, and local and international equity partners, all are secure with our track record. Since 2008, Alternergy has developed 86 MW of operating assets in wind and solar and a potential installed capacity of up to 500 MW of renewable energy in 2026.

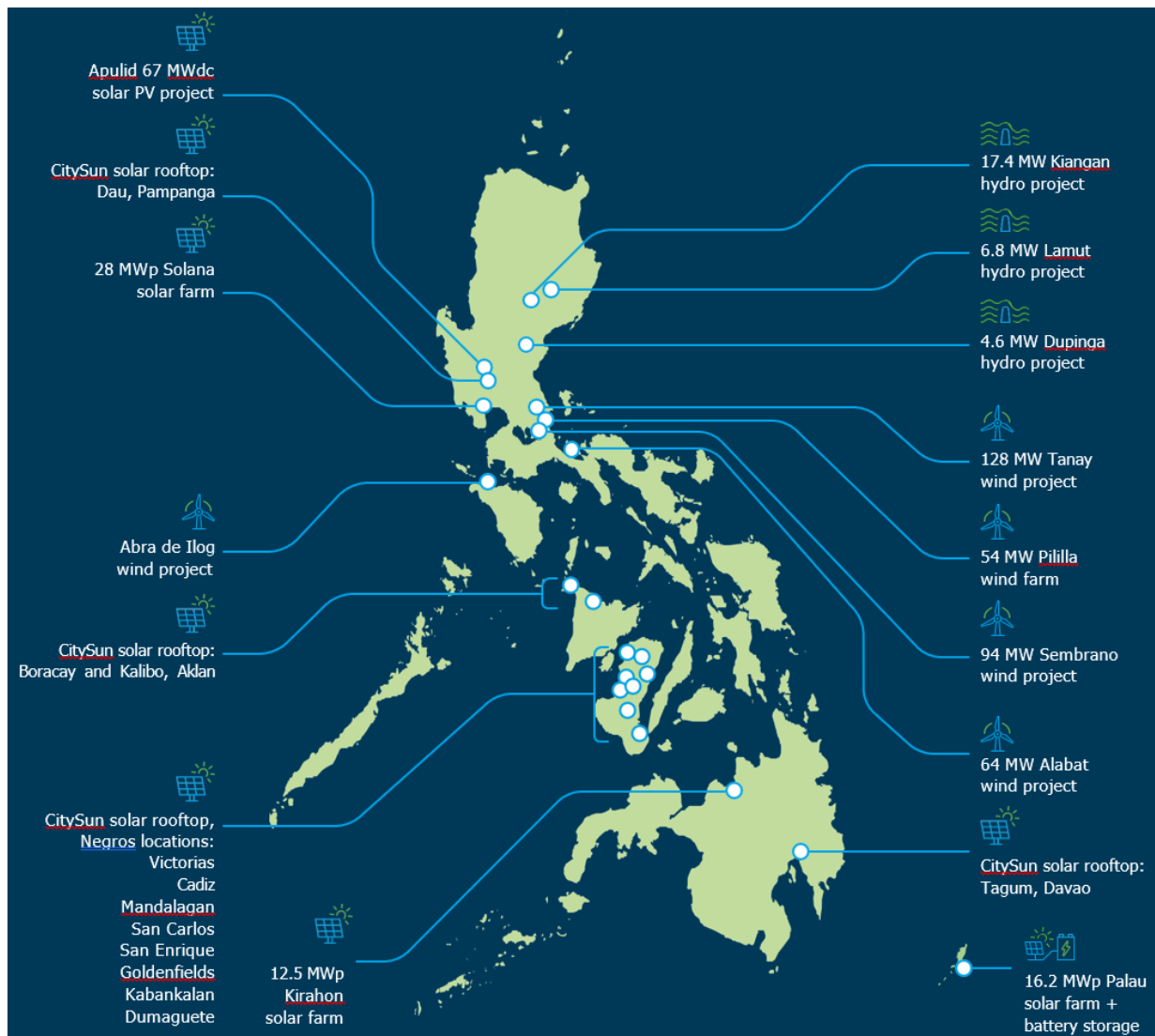
Alternergy is a company of 'firsts', driven to establish new precedents that drive the development of clean energy in the Philippines. Alternergy's history includes an extensive list of 'Firsts'. Select examples include:

- Recipient of some of the first contracts from the Philippines Department of Energy ("DOE") for wind power: The first of Alternergy's DOE service contracts was awarded in 2008 and allowed Alternergy to start conducting wind resource assessment studies in six potential sites.
- First non-recourse project financing for a wind project without corporate guarantee: For Pililla Wind Power Corporation's (formerly Alternergy Wind One Corporation) Pililla Rizal wind farm, three domestic banks extended an innovative non-recourse financing without a corporate guarantee, which was recognized with a Sustainable Finance award by International Finance Corporation.
- First bilateral solar contract approved by Energy Regulatory Commission ("ERC"): For the Kirahon Solar project, Alternergy actively engaged in familiarizing the regulators on the unique attributes of solar power, thus paving the way for an appropriate approval process for future bilateral solar contracts, as solar projects become more prevalent.
- First multi-site solar rooftop portfolio under one project financing facility: For Solar Pacific CitySun Corporation, a commercial bank extended financing for eight commercial mall solar rooftops under a single facility.
- First battery energy storage in western Pacific: Alternergy developed the first solar PV and battery energy storage hybrid project in the Republic of Palau, the largest solar hybrid project of its kind in the western Pacific to date.

With a proven track record of developing, building, and operating ground-breaking renewable energy projects in the country, Alternergy's vision is to be a leading renewable energy firm in the Philippines and to create a more sustainable future for the next generation. Developing projects across the country, ALTER is focused on helping the Philippines achieve its renewable energy potential through the development of wind, solar, and run-of-river hydro power projects.

Alternergy's policy to create a more sustainable future for the next generation is anchored on its Triple Play Portfolio. Alternergy covers most of the key renewable energy resources in solar, wind, run-of-river hydro and battery storage plants. The ingenuity of Triple Play allows for a diversified mix of complementary power generation revenues. The different seasonalities of solar, wind and hydro power energy resources, produce a steady cash flow year-round for the Company. In addition, Triple Play can provide a 24-hour clean energy supply to green option customers.

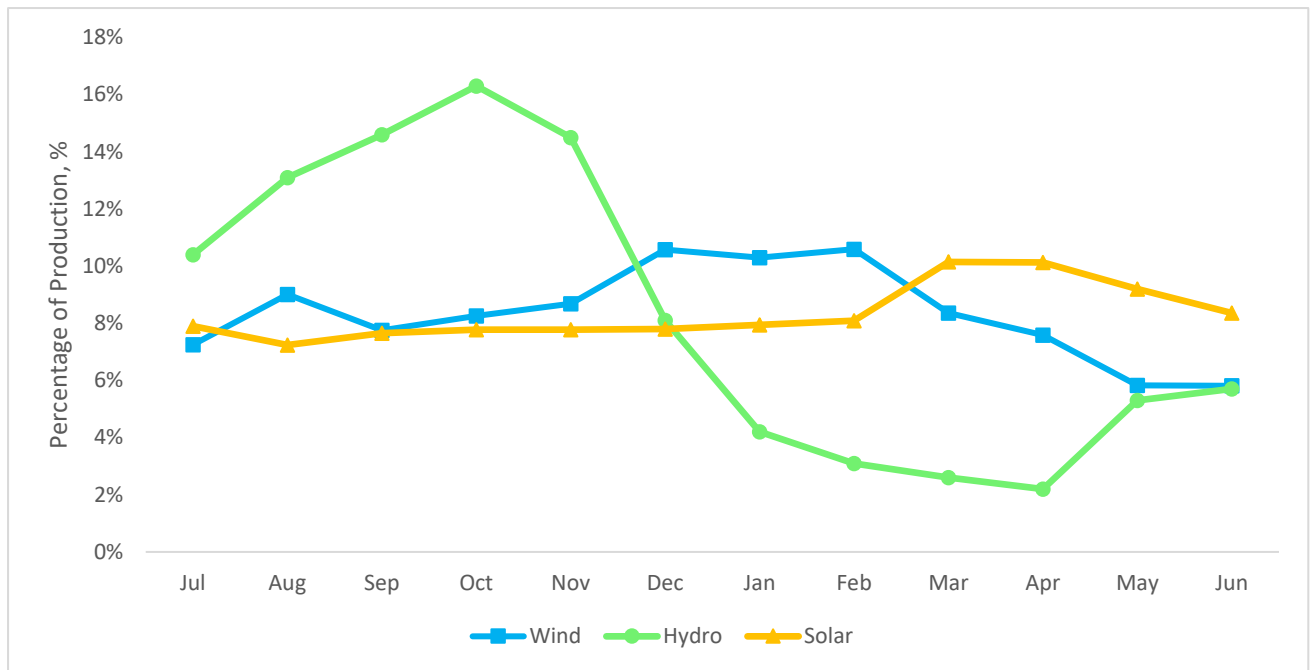
Location of Renewable Energy Projects of Alternergy



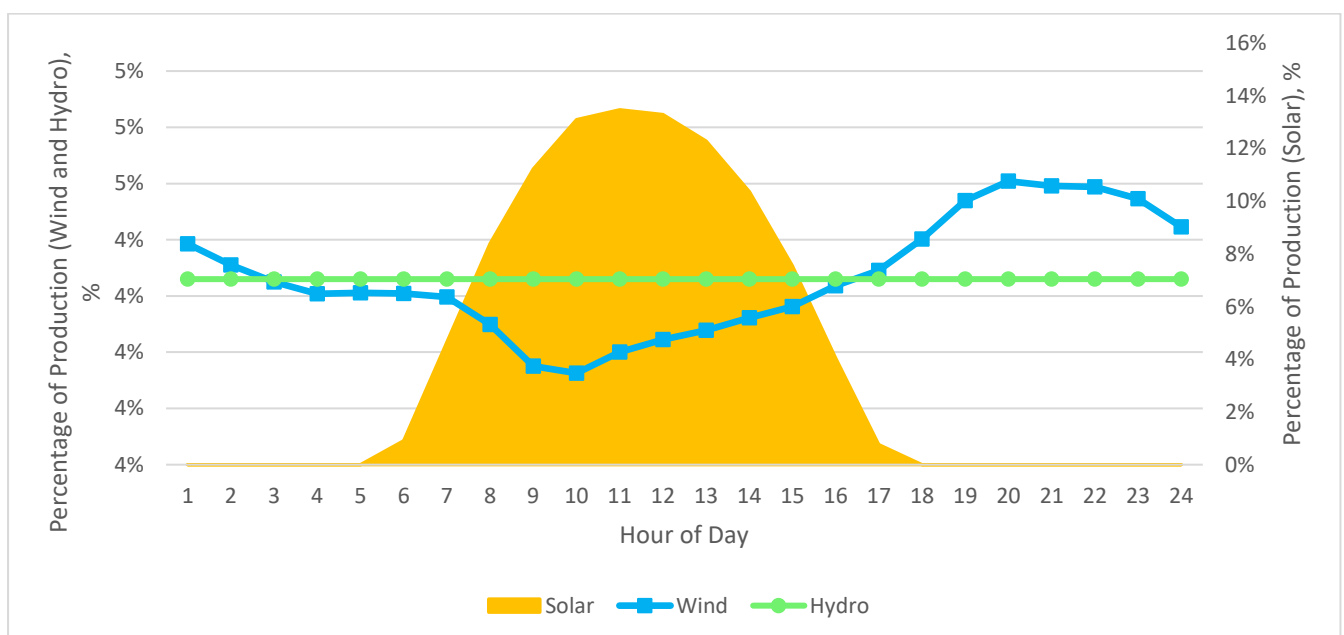
Diversified "Triple Play" Portfolio of Hydro, Wind and Solar

Alternergy is one of only a few RE developers with a diversified "Triple Play" renewable energy portfolio that covers key RE resources, particularly in solar, wind, and run-of-river hydro and battery storage plants. This allows for a diversified mix of complementary power generation revenues.

The following chart presents the complementary seasonal generation of the "Triple Play" renewable energy portfolio of Alternergy.



The chart below shows a comparison of each of the three renewable energy resources' daily production:

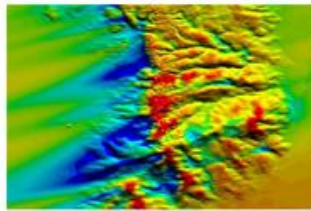


The figure below depicts the development timeline of Alternergy's renewable energy portfolio.



1 Early Stage

- Identification of Market Opportunity
- Project Site Selection
- Point of Interconnection Selection
- Resource Assessment
- DOE Service Contract
- Initial Financial Model



2 Developing

- Site Control Agreements
- Access & Rights of Way
- Feasibility Study
- Major Permits
- Geotechnical Study
- Flood Study
- Logistics & Transport Study
- System Impact Study
- Detailed Engineering Design
- Offtake Bidding & Negotiation
- EPC Selection & Negotiation
- Community Engagement



3 Financial Close

- Final Financial Model
- EPC Contract Execution
- Offtake Agreement Execution
- Interconnection Agreement Execution
- Equity Financing Agreements
- Lenders Due Diligence
- Debt Financing Agreements
- Insurances



4 Constructing

- Early Works
- Civil Works
- Equipment Procurement
- Transportation & Logistics
- Construction Management
- Electromechanical Installation
- Testing & Commissioning
- Community Engagement



5 Operating

- Operations & Maintenance
- Spare Parts Management
- Business Permits
- Revenue & Accounts Management
- Regulatory Compliance
- Investor Reporting
- Project Site Security
- Community Engagement

Solar Energy Portfolio*Solar Pacific Energy Corporation ("SPEC") – ALTER's subsidiary*

Solar Pacific Energy Corporation is ALTER's solar energy sub-holding company that develops, builds, owns, and operates solar power plants on islands throughout the Philippines and the Pacific. ALTER owns 60.00% economic interest and 77.76% voting interest in SPEC.

SPEC was co-founded in January 2013 by Vicente S. Pérez, Jr., and Michael Lichtenfeld. Michael Lichtenfeld is a former Director of Utility Project Development at SunEdison in San Francisco, responsible for the entire western US focused on Nevada and California solar markets. He led the development the 24.8 MW_p Apex Solar Project, the 25.0 MW_p Vega Solar Project, and the 38.5 MW_p Spectrum Solar Project.

The DOE has awarded SPEC's various subsidiaries a total of 36 MW_{AC} of Solar Energy Service Contracts ("SESC") for the development of solar power projects in Aklan, Bataan, Cavite, Cotabato, Davao del Norte, Misamis Oriental, Negros Oriental and Occidental, and Pampanga. SPEC has also signed bilateral Power Sale Agreements ("PSAs") with distribution utilities and has signed multiple PSAs with commercial malls throughout the country. In addition, SPEC has submitted a binding offer to a leading public utility in the Pacific Islands region for a large solar PV plus battery storage project PPA, which is currently under review.

As of June 30, 2024, SPEC owns 25.00% (representing economic and voting interest) of Kirahon Solar Energy Corporation, 100.00% (representing economic and voting interest) of Solana Solar Alpha Inc., 12.67% economic interest and 51.01% voting interest in Solar Pacific Pristine Power Inc., and 25.00% (representing economic and voting interest) in Solar Pacific CitySun Corporation.

Kirahon Solar Energy Corporation ("KSEC") – ALTER's subsidiary

In July 2013, SPEC entered into a Memorandum of Understanding ("MOU") with Mindanao Energy Systems ("MINERGY") for the joint development of the Kirahon Solar Power Project Phase I ("Kirahon Solar Plant"). KSEC, in a partnership between SPEC and MINERGY, owns and operates the Kirahon Solar Project located in MINERGY Business Park, Philippine Veterans Investment Development Corporation ("PHIVIDE") Industrial Estate, Iligan-Cagayan de Oro-Butuan Road, Sitio Kirahon, Barangay San Martin, Villanueva, Misamis Oriental. KSEC owns full title to the project site.

The 12.53 MW_{DC} Kirahon Solar Plant was the first and largest scale solar photovoltaic ("PV") project in the Philippines at the time it was built in 2015. JUWI Renewable Energies Pte. Ltd. was the Engineering, Procurement and Construction ("EPC") contractor and currently the operations and maintenance contractor.

The Kirahon Solar Plant is an embedded generation project within the franchise of the local private distribution utility Cagayan Electric Power and Light Company ("CEPALCO"). It supplies renewable electricity to the CEPALCO customers under a 25-year Power Supply Agreement ("PSA"), the first bilateral PSA approved by the ERC.

The ERC issued Kirahon Solar Plant's Certificate of Compliance ("COC") to start commercial operations in November 2015 with a validity period of five (5) years. The latest Provisional Authority to Operate ("PAO") is valid until November 2024. In August 2024, KSEC applied for the renewal of its COC.

Since the start of operations, the Kirahon Solar Plant has generated 110% of its expected annual generation targets. The plant supplies clean electricity for up to 23,500 local households each year. As a renewable resource, it offsets 18 million kWh per year of diesel power plant output.

The Kirahon Solar Plant was financed by Rizal Commercial Banking Corporation ("RCBC") under a non-recourse project financing facility, the first of its kind for a utility-scale solar PV project in the Philippines.

ALTER has 60% economic interest and 77.76% voting interest in SPEC, which in turn owns a 25.03% economic and voting interest in KSEC. The effective additional 17.76% voting interest stems from the voting non-economic preferred shares acquired by ALTER from NCP Advisors Philippines, Inc. in August 2022. In addition, ALTER directly owns 49.97% economic and voting interest in KSEC. The difference in the direct and indirect economic and voting percentages in KSEC is due to the difference in the economic and voting percentages of ALTER in SPEC. Thus, ALTER has a direct and indirect economic interest of 64.99% and direct and indirect voting interest of 69.43% in KSEC.

Solana Solar Alpha Inc. ("SSAI") – ALTER's subsidiary

Solana Solar Alpha Inc. owns the 28 MW_{DC}/20 MW_{AC} Solana Solar power project ("Solana Solar Project") in Hermosa, Bataan. The Solana Solar Project has obtained major development permits, completed critical technical feasibility studies, and secured off-take agreements necessary to start the development phase. The site area, covering 30 hectares, is fully titled to and owned by SSAI.

The EPC Contract with China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. ("GEDI") was signed on August 21, 2024, for the engineering, design, procurement, installation, commissioning and construction of the Solana Solar Project on a fixed-price turn-key contract. SSAI has also executed a Connection Agreement with NGCP via its 69kV transmission line located 350 meters from the Project site and has secured all necessary rights of way ("ROWS") for the transmission line.

SSAI has signed offtake agreements with Kratos RES Inc., a retail electricity supplier ("RES"). The PSA, signed on May 30, 2023, is for the supply of 10 MW_{AC} renewable power for 20 years. Another PSA, signed on November 22, 2023, is for 10 MW_{AC} supply for five (5) years.

The Solana Solar Project issued the Notice to Proceed to start construction on September 2, 2024. The target date of commercial operations is in June 2025.

SSAI and RCBC have signed a mandate letter and a non-binding term sheet, in May 2022, for the non-recourse project financing for up to ₱1.0 billion along with competitive commercial terms. As of to date, SSAI and RCBC are in the final negotiations to close financing.

SSAI and RCBC have signed a mandate letter and a non-binding term sheet for the non-recourse project financing of the Solana Solar Project for up to ₱1.0 billion along with competitive commercial terms.

ALTER has 60% economic interest and 77.76% voting interest in SPEC, which in turn has 100% economic and voting interest in SSAI. Thus, ALTER has an indirect economic interest of 60% and 77% indirect voting interest in SSAI.

Solar Pacific Pristine Power Inc. ("SPPPI") – ALTER's subsidiary

SPEC developed Alternergy's first renewable energy project outside the Philippines and its first hybrid solar and battery energy storage project through its subsidiary, Solar Pacific Pristine Power Inc ("SPPPI"). SPPPI was selected through a competitive process conducted by Palau Public Utilities Corporation ("PPUC"), the state-owned utility of the Republic of Palau. The Palau Solar PV + Battery Energy Storage System ("BESS") Project (the "Palau Project") has a capacity of 13.2 MW_{AC} and 15.3 MWh for BESS.

SPPPI is the first Independent Power Producer in Palau and sells its generation output to PPUC under a 20-year PPA at a fixed tariff in U.S. dollars. The PPA is extendable for another 5 years.

The Palau Project interconnects to PPUC's grid network at 34.5kV located 400 meters from the point of interconnection with PPUC's grid under a Grid Connection Agreement ("GCA") in June 2021.

SPPPI acquired possessory rights over the project site under a Lease Agreement signed in January 2021. The land is privately-owned and is largely clear of forest cover. The Palau Project was carefully designed to be built on savannah land, to avoid any clearing of the adjacent forest areas and to minimize impact to the local environment.

SPPPI obtained project funding from the government of Australia through the Australian Infrastructure Financing for the Pacific. The Palau Project is intended to help achieve the Palau's goal of 20% renewable energy share by 2025, as part of its commitment to the Paris Climate Treaty.

Construction of the Palau Project started in April 2022 with JUWI Renewable Energies Pte. Ltd. as the EPC contractor. The Commercial Operations Date ("COD") of the project was achieved on December 31, 2023.

ALTER has 60% economic interest and 77.76% voting interest in SPEC, which in turn has 12.67% economic interest and a 51.01% voting interest by way of owning additional voting non-economic preferred shares in SPPPI. Thus, ALTER has a direct and indirect economic interest of 17.6% and a direct and indirect voting interest of 45.27% in SPPPI.

Liberty Solar Energy Corporation ("LSEC") – ALTER's subsidiary

Alternergy, under its 60%-owned subsidiary LSEC, is developing the Liberty Aquavoltaic Solar Power Project ("Liberty Aquavoltaic Project") in Paniqui, Tarlac with an installed capacity of up to 80.0 MW_{DC}. This is an innovative integration and co-location of the solar PV farm with an active traditional aquaculture farm utilizing a total area of up to 80 hectares. The Project will sell its power to the grid, while the fishponds continue to breed aquatic products and income at the same time and same place. It will be the first of its kind in Luzon.

In June 2023, LSEC signed a Land Option Agreement with the landowners. On 27 October 2023, the DOE awarded the SEOC for the Liberty Aquavoltaic Project.

The Liberty Aquavoltaic Project has also completed the technical site studies and survey consisting of resource assessment, geotechnical, topographical, hydrology and relocation survey in May 2024 while the project's permitting and clearances are ongoing to date.

As of September 25, 2024, LSEC is in discussions with the potential off-takers.

Solar Pacific CitySun Corporation ("SPCC") – ALTER's affiliate

Solar Pacific CitySun Corporation has signed 13 rooftop solar PSAs for 25 years with CityMall Commercial Centers Inc. ("CMCCI"). SPCC also entered into several project lease agreements with CMCCI for each CityMall location for the use of the rooftops.

The 13 solar rooftop projects on CityMalls throughout the country were each issued with solar service contracts by the DOE.

The solar rooftop projects are located in (1) Boracay, Aklan; (2) Kalibo, Aklan; (3) Kabankalan, Negros Occidental; (4) Victorias, Negros Occidental; (5) Dumaguete, Negros Oriental; (6) Tagum City, Davao del Norte; (7) Dau, Pampanga; (8) Mandalagan, Negros Occidental; (9) Cadiz, Negros Occidental; (10) San Carlos, Negros Occidental; (11) Goldenfields, Bacolod City; (12) Imus, Cavite; (13) Cotabato City, Maguindanao.

Out of the 13 PSAs, six (6) are included in the Phase I - Batch 1 which commenced operations on September 25, 2018, while two (2) are included in the Phase I - Batch 2 which started operations on May 20, 2019, for a total capacity of 3.24 MW_{AC}. It is the first multi-site solar rooftop portfolio under one project financing facility in the Philippines. Phase II is in advanced development stage, which consists of five (5) rooftop projects with an aggregate capacity of up to 3.80 MW_{AC}.

Phase 1 – Batch 1 Rooftop Projects were issued COC by the ERC in October 2019 while Phase 1 – Batch 2 in June 2020. SPCC has submitted the application for renewal of the COC for Phase 1 – Batch 1 in August 2024.

Phase II is expected to release a second round of request for proposals ("RFPs") in December 2024. Construction is expected to commence by 2025.

ALTER has 60% economic interest and 77.76% voting interest in SPEC, which in turn has 25% economic and voting interest in SPCC. Thus, ALTER has an indirect economic interest of 15% and 19.44% indirect voting interest in SPCC.

Wind Energy Portfolio

Alternergy Wind Holdings Corporation ("AWHC", formerly Pililla AVPC Corporation)

Alternergy Wind Holdings Corporation, a wholly-owned subsidiary of ALTER, is the primary wind energy sub-holding company of Alternergy. ALTER through its wind companies aim to install onshore and offshore wind farms with an aggregate capacity of up to 1,238 MW.

In December 2008, Alternergy Philippine Holdings Corporation ("APHC") was one of the first companies awarded by the DOE under the then newly-enacted Renewable Energy Act ("RE Act") with the exclusive right to develop wind power projects in three locations in the Philippines. This includes Wind Energy Service Contract ("WESC") No. 2009-09-018 for the development of the Pililla Wind Power Project in Pililla, Rizal in October 2009. Two additional wind service contracts were awarded to APHC in 2015 and 2019. APHC assigned all its rights and benefits over one contract to Pililla Wind Power Corporation ("PWPC", formerly Alternergy Wind One Corporation) through a deed of assignment executed in June 2011. The DOE approved the assignment of the WESC No. 2009-09-018 to PWPC in July 2012.

ALTER owns 100% economic and voting interest in AWHC.

Onshore Wind Projects

Pililla Wind Power Corporation ("PWPC", formerly Alternergy Wind One Corporation) – ALTER's affiliate

Pililla Wind Power Corporation has been operating the 54.0 MW Pililla Rizal wind farm since June 2015, generating 133 GWh/year. Its generation is sold under a 20-year Renewable Energy Power Agreement ("REPA") with the National Transmission Corporation ("TransCo") under a Feed-in Tariff ("FIT") awarded by the ERC for the delivery and payment of electricity produced by the Project.

In March 2012, AWOC signed an interconnection agreement with Manila Electric Company ("MERALCO") for the evacuation of electricity from the project site through MERALCO's Malaya-Teresa 115 kV Transmission Line, the nearest tapping point with a distance of approximately 10 kms from the Project's substation.

ALTER has 100% economic and voting interest in AWHC, which in turn has 5% economic and voting interest in AWOC. Thus, ALTER has an indirect economic and voting interest of 5% in AWOC.

Sembrano Wind Power Corporation ("SWPC", formerly Alternergy Sembrano Wind Corporation) – ALTER's affiliate

The proposed Sembrano Wind Project located in Pililla, Rizal and Pakil, Laguna is being developed by Sembrano Wind Power Corporation and has capacity of up to 93.75 MW. It is in advanced pre-development stage. Wind resource assessment, geotechnical and interconnection studies have been conducted confirming the feasibility of the Sembrano Wind Project. With elevation ranging from 250 masl to 650 masl, and given the site's proximity to Manila, the project location is ideal for a wind farm project.

The Wind Energy Service Contract for the Sembrano Wind Project was awarded by the DOE to ASWC in October 2009. The project has already obtained endorsements from relevant barangays and municipalities, Confirmation of Commerciality from the DOE, height clearance from the Civil Aviation Authority of the Philippines ("CAAP"), Certificate of Non-Overlap from the NCIP, and Certificate of Non-Coverage from the DENR.

ALTER has 100% economic and voting interest in AWHC, which in turn has 5% economic and voting interest in ASWC. Thus, ALTER has an indirect economic and voting interest of 5% in ASWC.

Alternergy Tanay Wind Corporation ("ATWC") – AWHC's subsidiary

Alternergy Tanay Wind Corporation, a wholly-owned subsidiary of the AWHC, is developing the Tanay Wind Power Project in Tanay, Rizal Province.

The Tanay Wind Power Project has a potential installed capacity of up to 100.0 MW. Wind resource assessment has been conducted with a met mast and LiDAR.

The Wind Energy Service Contract was awarded by the DOE in March 2017. The Tanay Wind Power Project has obtained various permits and clearances including the DENR Environmental Compliance Certificate, Certificate of Non-Overlap by the NCIP for the proposed project site, Clearance from the

Protected Area Management Board ("PAMB") of the Kaliwa Watershed Forest Area, and Height Clearance from CAAP.

On July 3, 2023, the Tanay Wind Power Project successfully won the bid in the Green Energy Auction ("GEA") 2, the Certificate of Award bearing the date November 10, 2023 for which was subsequently issued to the project by the DOE. On October 9, 2023, the "Lease Contract with Revenue-Sharing Agreement" was executed between the Rizal Provincial government and ATWC.

In December 2023, ATWC signed an agreement with the Danish firm K2 Management as Owner's Engineer ("OE") for the Tanay Wind Power Project. In February 2024, the contract for the supply of the wind turbine generators ("WTGs") was signed with Envision Energy. The contract for the Balance of Plant ("BOP") EPC was signed with GEDI and GEDI Construction Development Corporation ("GCDC") in March 2024.

On March 8, 2024, ATWC and NGCP signed an interconnection agreement for the Tanay Wind Power Project. Also in March 2024, the DOE confirmed the transition to the development phase of the Tanay Wind Power Project and awarded the Certificate of Confirmation of Commerciality ("COCOC").

In April 2024, ATWC and NGCP signed the Interconnection Agreement for the dispatch of the power to the grid via NGCP's existing 500 kV transmission line.

In May 2024, ATWC secured up to ₱8.0 billion financing facility with Bank of the Philippine Islands ("BPI") and the Security Bank Corporation ("SBC") to fund the construction of the Tanay Wind Power Project. ATWC broke ground on the Tanay Project on June 4, 2024 with target COD in the fourth quarter of 2025.

ALTER has 100% economic and voting interest in AWHC, which in turn has 100% economic and voting interest in ATWC. Thus, ALTER has an indirect economic and voting interest of 100% in ATWC.

Alabat Wind Power Corporation ("AWPC") – AWHC's subsidiary

Alabat Wind Power Corporation, a wholly-owned subsidiary of the AWHC, is developing the Alabat Wind Power Project in the municipalities of Alabata and Quezon in the province of Quezon, after having been assigned the WESC to develop the same by ATWC, the assignment of which was approved by the DOE on December 10, 2023. The Alabat Wind Power Project has a potential capacity of up to 64.00 MW. Wind resource assessment has been conducted with a met mast and LiDAR.

On March 26, 2024, , AWPC and NGCP, signed an interconnection agreement for the Alabat Island Wind Power Project. AWPC will develop and construct switching station and approximately thirty seven 37 km – 69 Kv transmission line from AWPC substation located in Brgy. Villa Jesus Weste in Alabat to NGCP Hondagua Substation, in Lopez,Quezon. Due to grid limitation, the maximum dispatchable capacity is curtailed up to 49.9MW only.

In July 2023, the Alabat Wind Power Project participated and successfully won in the GEA 2 Program of the DOE. The Certificate of Award was issued in November 2023. The project will sell generation output to the grid under a Renewable Energy Payment Agreement ("REPA") with the National Transmission Company ("TransCo") at a fixed tariff for 20 years.

In December 2023, ATWC signed an agreement with the Danish firm K2 Management as Owner's Engineer for the Alabat Wind Power Project. In February 2024, the contract for the supply of the

WTGs was signed with Envision Energy. The contract for the BOP EPC was signed with GEDIGCDC in March 2024.

On March 26, 2024, AWPC and NGCP signed an interconnection agreement for the Alabat Wind Power Project. AWPC will develop and construct switching station and approximately 37 km – 69 kV transmission line from AWPC substation located in Brgy. Villa Jesus Weste in Alabat to NGCP Hondagua Substation, in Lopez, Quezon. Also in March 2024, the DOE confirmed the transition to the development phase of the Alabat Wind Power Project and awarded the COCOC.

In June 2024, AWPC secured ₱5.3 billion financing facility with Rizal Commercial Banking Corporation (“RCBC”) to fund the construction of the Alabat Wind Power Project. In May 2024, AWPC broke ground to start construction with target COD in the fourth quarter of 2025.

ALTER has 100% economic and voting interest in AWHC, which in turn has 100% economic and voting interest in AWPC. Thus, ALTER has an indirect economic and voting interest of 100% in AWPC.

Abra de Ilog Wind Power Corporation (“ADIWPC”) – AWHC’s Subsidiary

In December 2008, APHC was awarded by the DOE a WESC for the Abra de Ilog Wind Project in Occidental Mindoro. On February 6, 2023, the WESC from APHC was assigned to a new special purpose vehicle, ADIWPC, which organized for the purpose of undertaking the Abra de Ilog Wind Project.

In 2010, the Asian Development Bank (“ADB”) partly financed the feasibility study of the Abra de Ilog Wind Project. Alternergy conducted the feasibility study and a met mast was installed to measure the wind resource.

As part of ADB’s technical assistance to the Abra de Ilog Wind Project, an Environmental Impact Assessment, Geological Assessment, including a Migratory Bird Survey were conducted.

This project was conceptualized in anticipation of the proposed installation of a 25-kilometer long submarine cable across the Verde Passage known as the Batangas Mindoro Interconnection Project (“BMIP”). Since the Abra de Ilog Wind Project is dependent on the completion of the BMIP, the project development is currently on hold and its WESC assignment from APHC to ADIWPC on hiatus until the BMIP is completed.

ALTER has 100% economic and voting interest in AWHC, which in turn has 100% economic and voting interest in ADIWPC. Thus, ALTER has an indirect economic and voting interest of 100% in ADIWPC.

Offshore Wind Projects

AWHC is developing four (4) offshore wind power projects with a combined potential capacity of up to 1,000 MW. The final capacity of each project will be determined upon the conduct of complete resource assessment and other technical studies.

Calavite Passage Wind Power Corporation (“CPWPC”) – ALTER’s joint venture

The Calavite Offshore Wind Power Project is one of the first offshore wind projects in the Philippines. The DOE awarded the Offshore Wind Contract (“OSWC”) to AWHC in March 2022 for the exclusive

rights to develop the offshore wind potential, covering 78,408 hectares, within the Calavite Passage, a wind-blown marine strait between Lubang Island and Calavite Point in Paluan, Occidental Mindoro.

On October 26, 2022, the DOE approved the assignment of the Calavite Passage OSWC to Calavite Passage Wind Power Corporation ("CPWPC") as the corporate vehicle to develop the project. AWHC entered joint venture agreement with Shell Overseas Investments B.V. ("SOI") to jointly develop the Calavite Passage Offshore Wind Project.

On December 21, 2023, CPWPC submitted a letter to the DOE to pre-terminate and relinquish the OSWC following the results of the preliminary study indicating technical issues. On January 12, 2024, the DOE approved the request to relinquish WESC No. 2022-02-198.

ALTER has 100% economic and voting interest in AWHC, which in turn has 60% economic and 60% voting interest in CPWPC. Thus, ALTER has 60% indirect economic and voting interest in CPWPC.

Tablas Strait Offshore Wind Power Corporation ("TSOWPC") – ALTER's joint venture

In February 2023, the DOE awarded three (3) separate OSWCs to PACO for the exclusive rights to explore, develop and utilize wind resource in the wind-swept Tablas Strait separating Oriental Mindoro and Antique. The Tablas Strait Offshore Wind Projects 1, 2 and 3 span about 120,000 hectares of offshore wind potential and jointly being developed with Shell Overseas Investment B.V. ("SOI") under corporate vehicle Tablas Strait Offshore Wind Power Corporation.

On November 10, 2023, the DOE has already approved the request for assignment of the OSWC of Tablas Strait Offshore Wind Projects 1, 2 and 3 from AWHC to TSOWPC for the purpose of undertaking the projects.

ALTER has 100% economic and voting interest in AWHC, which in turn has 60.98% economic and 60% voting interest in TSOWPC. Thus, ALTER has 60.98% indirect economic and 60% voting interest in TSOWPC.

Mini Hydro Energy Portfolio

Alternergy Mini Hydro Holdings Corporation ("AMHHC") – ALTER's subsidiary

Alternergy Mini Hydro Holdings Corporation is the primary hydro energy sub-holding company and wholly owned subsidiary of ALTER. Through AMHHC, Alternergy's vision is to become a developer of mini-hydro power projects in the Philippines. The run-of-river mini-hydropower projects will have an estimated installed capacity of about 36.0 MW and will be commissioned over a five-year period.

AMHHC is currently developing one run-of-river mini-hydropower project in Nueva Ecija and three (3) run-of-river hydropower projects in Ifugao with a total potential capacity of about 36 MW. Aside from the rich water resources, a distinct advantage of the Nueva Ecija and Ifugao projects is the accessibility of transmission facilities. The Ifugao projects are located less than 18 kilometers from the transmission lines, which should translate to faster project completion. Of the three Ifugao projects, two are now in advanced stage of pre-development. These are Kiangnan and Lamut-Asipulo run-of-river mini-hydropower projects.

AMHHC owns 100.00% (representing economic and voting interest) of Lamut-Asipulo Mini Hydro Corporation, 100% (representing economic and voting interest) of Ibulao Mini Hydro Corporation,

30% economic and voting interest of Kiangnan Mini Hydro Corporation, and 7.80% (representing economic and voting interest) of Dupunga Mini Hydro Corporation.

Lamut-Asipulo Mini Hydro Corporation ("LAMHC") – ALTER's subsidiary

The 6.8 MW Lamut-Asipulo run-of-river mini-hydropower project of Lamut-Asipulo Mini Hydro Corporation is a near construction ready project along the Cawayan River and within the two municipalities of Asipulo and Lamut in the Ifugao Cordillera Administrative Region.

The project is part of a portfolio of run-of-river mini hydropower projects of AMHHC and thus benefits from synergies with other projects in Ifugao. The project has a potential annual generation of 33.3 GWh. Grid connection distance from the project site to the nearest 69 kV transmission line is 8 kilometers.

The project has completed critical technical feasibility studies and detailed engineering design ("DED") and has secured key government permits and studies including the Hydropower Service Contract ("HSC") and Confirmation of Commerciality from the DOE, Environmental Compliance Certificate from the DENR, Water Permit from the National Water Resources Board ("NWRB"), and approval of the System Impact Study by NGCP. It has received endorsements from the Sangguniang Bayan of Asipulo and Lamut, and it has obtained the consent of indigenous communities in the Lamut and Asipulo ancestral domain. The NCIP Certification Precondition, a certificate of compliance with the Free, Prior and Informed Consent ("FPIC") process and certifying that the Kalaguya, Ayangan and Tuwali Indigenous Communities have given their consent to the project, was granted in August 2021.

On March 15, 2022, ALTER, AMHHC, Exeter Portofino (Export) Holdings Inc. ("EXETER") and Lamut-Asipulo Mini Hydro Corporation ("LAMHC") entered into an Investment Framework Agreement for the inclusion of EXETER as co-shareholder in LAMHC. LAMHC, a wholly-owned subsidiary of AMHHC, is the project company that owns and is undertaking the development, construction, and implementation of the Lamut-Asipulo run-of-river mini-hydropower project.

ALTER has 100% economic and voting interest in AMHHC, which in turn has 100% economic and voting interest in LAMHC. Thus, ALTER has an 100% indirect economic and voting interest in LAMHC.

Ibulao Mini Hydro Corporation ("IMHC") – ALTER's subsidiary

The 7.42 MW Ibulao 2 run-of-river mini-hydropower project is an early development project being developed by Ibulao Mini Hydro Corporation. To be located in Brgy. Bolog in the Municipality of Kiangnan and Brgy. Caba in the Municipality of Lagawe in the province of Ifugao, the Ibulao 2 Project will harness the flow of water from the Ibulao River.

In September 2024, IMHC surrendered its HSC to the DOE as it has strategically decided not to pursue the proposed Project.

ALTER has 100% economic and voting interest in AMHHC, which in turn has 100% economic and voting interest in IMHC. Thus, ALTER has a 100% indirect economic and voting interest in IMHC.

Kiangan Mini Hydro Corporation ("KMHC") – ALTER's affiliate

The 17.4 MW Kiangan run-of-river mini-hydropower project in Ifugao of Kiangan Mini Hydro Corporation combines three hydro developments along the Asin, Hungduan, and Ibulao Rivers. AMHHC took over project development of Kiangan Hydro from the original developer Enerhighlands Corporation in November 2013. In 2015, the DOE approved the assignment of the Hydro Service Contracts of Asin, Hungduan and Ibulao1 from Enerhighlands Corporation to KMHC.

The project site is located on the Island of Luzon in the landlocked Ifugao Province and in Barangays Bokiawan, Dalligan and Mongayang within the municipality of Kiangan. Kiangan Hydro project is currently under construction since April 2021 with complete comprehensive feasibility study and DED and government permits and approvals. The NCIP Certification Precondition, a certificate of compliance to the FPIC process and certifying that Tuwali Indigenous Peoples of Kiangan and Lagawe have given their consent to the project, was granted in December 2018.

The projects are briefly described below:

- **Ibulao:** The Ibulao run-of-river mini-hydropower project has a potential installed capacity of up to 8.0 MW. The generated power from the project will be conveyed through a 69kV transmission line with a distance of approximately 1.5 kilometers to the NGCP Cudog Substation.
- **Asin-Hungduan:** In February 2021, the Asin HESC and the Hungduan HESC with potential capacities of 7.04 MW and 4.04 MW, respectively, were consolidated into one Hydro Service Contract ("HSC") with reference number HSC No. 2020-03-854 and a combined capacity of 9.8 MW for reason that both HESCs share the same powerhouse facility. The generated power from the project will be transmitted using a 13.2kV line with a length of 3.6 kilometers to the step-up facility of the 69kV transmission line of the Ibulao Project.

ALTER has 100% economic and voting interest in AMHHC, which in turn has 30% economic and voting interest in KMHC. Thus, ALTER has a 30% indirect economic and voting interest in KMHC.

Dupinga Mini Hydro Corporation ("DMHC") – ALTER's affiliate

The 4.6 MW Dupinga run-of-river mini-hydropower project of Dupinga Mini Hydro Corporation is located along the Dupinga River in Gabaldon, Nueva Ecija. The project is currently under construction, and it is approximately 66% completed as of July 2024. The project is targeted to be operational within 2025. The Dupinga project will sell its full generation capacity to the Nueva Ecija II Electric Cooperative, Inc. Area 2 ("NEECO II – Area 2") as an embedded generation facility; the PSA with NEECO II Area 2 was signed in May 2023.

ALTER has 100% economic and voting interest in AMHHC, which in turn has 7.80% economic and voting interest in DMHC. Thus, ALTER has a 7.80% indirect economic and voting interest in DMHC.

These milestones below have paved the path for Alternergy's success – past, present, and future. The following shows the Company's milestones from incorporation.

Milestones

Our vision to be the leading renewable energy power in the Philippines is motivated by past learnings and taking action in the present.





May 2014
Partnership with Equis Funds for Pililla wind project to replace Korea East West Power

July 2014
Pililla wind project received first non-recourse local bank project financing for wind

December 2014
Solar Pacific formed joint venture with Mindanao Energy Systems

January 2015
AES founder Roger Sant's family foundation partnered with Solar Pacific

February 2015
12.5 MWp Kirahon solar farm received first non-recourse local bank project financing for solar

May 2015
ERC approved the country's first-ever bilateral solar PPA for Kirahon



June 2015
54 MW Pililla wind farm went into commercial operation on schedule and within budget

October 2015
12.5 MWp Kirahon solar farm went into commercial operation on schedule and within budget



April 2016
Partnership with Markham Resources for Dupinga hydro project

April 2016
Singapore-based InfraCo Asia committed to co-developing Ifugao run-of-river hydro portfolio

November 2016
Green Energy Supply Solutions (GESSI) created to give large power customers access to clean energy

December 2017
Solar Pacific received first non-recourse local bank financing for CitySun solar rooftop portfolio



March 2018
Over 130,000 local tourists visit Pililla wind farm on Easter weekend

June 2018
Partnership with Vena Energy for Sembrano wind project

July 2018
Phase I of CitySun, first multi-rooftop solar portfolio in the Philippines, went into commercial operation

August 2018
Alternergy celebrated 10 years of pioneering clean power for the next generation

October 2018
Lamut-Asipulo Mini Hydro Project obtained DOE Amended Hydro Service Contracts and Certificate of Confirmation of Commerciality

November 2018
Rizal Provincial Government Resolution gave permission for Tanay Wind Resource Assessment

February 2019
Klangan Mini Hydro Project obtained ECC from DENR



February 2019
Dupinga Mini Hydro Project secured Amended ECC from DENR

April 2019
Met mast and Lidar installed on Tanay wind project site



May 2019
Solar Pacific CitySun's solar rooftops began operations on two more CityMalls





September 2022

Alternergy's 4.6 MW Dupinga Mini Hydro Project secured power supply deal with Nueva Ecija Electric Cooperative II-Area 2

October 2022

Installed 10th meteorological mast on Alabat island in Quezon province to harness the northeast monsoon through its wind power project



November 2022

Alternergy via its subsidiary, Alternergy Wind Holdings Corporation (formerly PACO) and Shell Overseas Investment B.V. sealed partnership for offshore wind farm development for the Tablas Straits

November 2022

Alternergy and Exeter Portofino Holdings partnered for the development of the Lamut-Asipulo hydro power project; both partners share the same commitment to sustainability and local communities, improvement of cultural and preservation of the Ifugao Heritage Sites

February 2023

Alternergy Wind Holdings Corporation (formerly PACO) bagged three additional wind service contracts from the Department of Energy for the Tablas Strait Offshore Wind Project

March 2023

Alternergy debuted at the Philippine Stock Exchange raising PHP1.6 billion from its initial public offering—it is the first IPO for the year



June 2023

Solar Pacific Energy Corporation appointed DNV, a Norwegian construction company, as I as Owners Engineer for the 15.3 MW solar power and 12.9 MWh battery in its solar project in Palau in Western Pacific

June 2023

SPEC launched the Republic of Palau's first solar and battery energy storage (BESS) project in Ngatpang state on Babeldaob Island—The largest of its kind in the Western Pacific region and one of the most significant foreign direct investments in the island nation with a total project cost of USD29 million



July 2023

Alternergy won all three RE projects with 208 MW gross installed capacity which it bid at the Green Energy Auction 2 initiated by the DOE

August 2023

In commemoration of its 15 years in the RE business, Alternergy organized a team-building activity to create a stronger and more cohesive unit who will work efficiently and harmoniously towards a common goal



November 2023

State-run pension fund GSIS subscribed to Php1.45billion Alternergy Perpetual Preferred Shares under a private placement, a testament of common goal and shared value of sustainable investment



July 2023

Solana Solar Alpha, Inc. cemented power supply agreement with Kratos RES, a subsidiary of Prime Asset Ventures, Inc. (PAVI) of the Villar Group



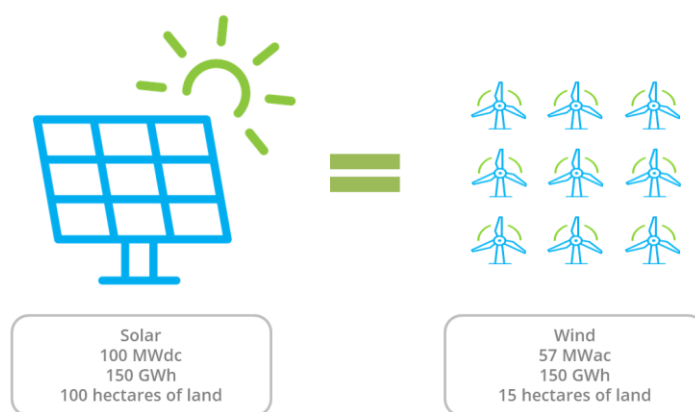
Strategic Focus on Renewable Energy in the Philippines

Within Asia, the Philippines presents a bright spot for renewable energy investors. The country's GDP grew 6.4% in 2023 reflecting pent-up consumer demand supported by increasing household consumption. For the first quarter 2024, the Philippines recorded a 5.7% GDP growth way within the International Monetary Fund's full-year forecast of 6.2% and outpacing the projected regional GDP increase of 5.0%.

Rising global demand for energy, particularly in the renewable space, is projected to continue driven mainly by higher fuel prices, energy security and environmental concerns, and increased policy momentum among countries. In the Philippines, the DOE has issued several policy and regulatory initiatives to accelerate the transition to sustainable energy future including the lifting of foreign ownership restrictions for renewable energy projects, increasing and speeding up renewable energy targets, adjusting the requirements on Renewable Portfolio Standards (RPS), and the regular conduct of auction for renewable energy capacity additions, among others. In particular, the DOE's Renewable Energy Roadmap aims to attain a generation mix of 35% renewable energy share by 2030 and 50% by 2040. Alternergy's rapidly expanding portfolio of wind, solar, and hydro power projects enable it to capitalize on this growing market demand.

Additional positive factors include the aforementioned rise in electricity demand, significant renewable energy resources, attractive tariffs, and a comprehensive Renewable Energy Law that provides tax privileges, feed-in tariffs and other market mechanisms to attract investors. For these strategic reasons, Alternergy has a focus on developing renewable energy projects in the Philippines.

In terms of energy production, solar farms generally require larger land area than wind farms at the same energy generation.



Quadruple Bottom Line Philosophy

At Alternergy, we are guided by our Quadruple Bottom Line Philosophy, which is mainly the company's sustainability framework. This dovetails with the three sustainability pillars: i) ensuring financial Profitability, ii) protecting the Planet through contribution to carbon mitigation and iii) taking care of our People through community development and promoting employee satisfaction.



Profitability

Profit - Sustainability is our fundamental business strategy to provide meaningful returns to our stakeholders, both internal and external, by creating economic value, protecting the environment and balancing our social responsibility to the communities we serve.



Climate Change Mitigation

Climate Change Mitigation is measured in terms of annual tons of carbon dioxide emissions displaced or avoided. In June 2022, Alternergy committed to strictly focus on renewable power and not invest in fossil fuel generation such as coal, fuel oil, natural gas, nuclear power.



Host Community Benefits

Provide host community benefits, measured in terms of annual households energized each year. Alternergy considers the role of the community as a "social fence" in power projects in emerging countries. Every power asset will proactively engage in the rural electrification of rural villages in its host communities.



Employee Fulfillment

We aim to provide fulfillment by creating a work environment with a balanced work-life atmosphere that is both challenging and fun.

The first priority is financial profitability, measured by annual cash flow generation in terms of per megawatt installed or invested capital.

The second priority is climate change mitigation, measured in terms of annual tons of carbon dioxide emissions displaced or avoided. Alternergy will be strictly focused as a renewable power company and will not invest in fossil fuel generation such as coal, fuel oil, natural gas and nuclear power.

The third priority is to provide host community benefits, measured in terms of annual households energized each year. Alternergy considers the role of the community as a 'social fence' in power projects in emerging countries. Every power asset will proactively engage in the rural electrification of villages in its host communities.

The fourth and final priority is employee satisfaction. Alternergy aims to create a work environment with a balanced work-life atmosphere that is both challenging and fun. All employees will be involved in planning and organizing host community activities.

Competitive Strengths

Alternergy has established competitive strengths that should result in the success of the project development and execution, profitable operations, and acquire new opportunities for growth. These are as follows:

- Alternergy has a well-defined and committed strategic focus on renewable power generation as its core business given its robust renewable energy ("RE") project pipeline in the Philippines and the Pacific islands.
- One of the first movers in RE, particularly in wind renewable energy projects where it obtained service contracts and undertook feasibility and technical studies for wind farms back in 2008 when it was granted one of the earliest WESCs.
- Alternergy is one of only a few RE developers with a diversified "Triple Play" renewable energy portfolio that covers key RE resources, particularly solar, wind, and run-of-river hydro and battery storage plants. This allows for a diversified mix of complementary power generation revenues.
- Most of Alternergy's operating RE projects were able to avail long-term power sale agreements comparable to Feed-in-Tariff rates that have allowed them to be financially viable and attractive.
- Its key customers are high-quality off-take institutions like TransCo, high credit-rated private distribution utilities, credit-worthy electric cooperatives, and key commercial customers.
- Members of the Company's senior management have been involved in both the public and private sector relative to energy development as well as policy development and implementation.
- The Management team is comprised of professionals with a diverse but complementary background and expertise in policy, engineering and project management and implementation, finance, law, sustainability and regulatory compliance for RE projects.
- The Company's senior management remains active and engaged in working with public sector officials in the development, regulation, monitoring and promotion of renewable energy.
- The Company's senior management also maintains proactive engagement with energy policy and regulatory officials through active participation and leadership in private sector renewable industry associations.
- The Company's senior management has a wide network of contacts among domestic and foreign equity partners that has been key to funding its various projects.
- The Company's pioneering debt experience, particularly in project finance, has provided the Company access to competitive financing terms from a variety of domestic lenders and supranational lenders.
- The Company and its management have established working relationships with key senior and mid-level officials of relevant government agencies of the DOE, DAR, DENR, DILG, DPWH, BOI, CAAP, NCIP, NWRB and the respective LGUs where its projects are located.

As one of the pioneers in wind and solar energy development and with a strong track record of quickly executing and efficiently operating wind and solar power projects, Alternergy is well-positioned to take advantage of the expected massive growth in the renewable energy sector.

Strategies

Alternergy's business plans and strategies include the following:

- Leverage Alternergy's solar, wind and run-of-river hydro development expertise. By maintaining a robust pipeline of projects under varying stages of development in each of Alternergy's three renewable sectors, its project completion cycle ensures steady growth.
- Pursue new RE projects, especially in the RE resources where Alternergy has established expertise in the technical, regulatory, project feasibility assessment, project management and financing aspects.
- Secure bankable off-take through bid participation and contracting on an opportunistic basis to maximize contracted revenues from credit-worthy off-takers.
- Focus on RE resource projects where FIT rates are available or are expected to be made available given developments in the DOE on the matter.
- Capitalize on off-take opportunities from open access by directly contracting with Contestable Customers through its licensed retail electricity subsidiary.
- Optimize operations and harness synergies across the platform to further improve margins.
- Over the years, Alternergy has cultivated a preferred cadre of technical, legal and financial service providers that shorten project development timelines and allow for smoother execution towards financial close.
- Tap innovative debt and capital market instruments in sustainable finance that complement Alternergy's sustainability focused business philosophy, such as green bonds, blue bonds, supranational entity loans.
- Explore, adopt, and deploy emerging technologies such as battery storage, floating solar, and offshore wind that enhance Alternergy's renewable power business.
- Cultivate relationships with stakeholders to ensure the success of its projects, particularly in reaching consents from indigenous peoples among its host communities.
- Ensure organization is able to bring in new talent to cover the growing number of projects under Alternergy.

Competition

The Philippine renewable power industry has continued to see growth since the enactment of the RE Law in 2008. The DOE records that renewable energy capacity has accounted for 29.75% (8,417 MW) of the country's total installed capacity in 2023. In terms of the country's power mix, the share of renewable energy has reached 22.27%. The call of the government for additional generating capacity using renewable energy to support the economy has further invigorated the competition, with local and foreign power companies looking at new investments and expansion programs.

The Company expects the power industry to further grow, and the renewable energy landscape become more competitive. Competitors include Filipino conglomerates and its respective subsidiaries, particularly Aboitiz Power Corporation, First Gen Corporation, AC Energy, SMC Global Power Holdings, Meralco PowerGen, Raslag Corporation, and Citicore Renewable Energy Corporation,.

While there is anticipated robust competition, the Company believes it is well-positioned to effectively meet this competition as set forth in the sections "Competitive Strengths" and "Strategies". The



Company has a distinctive value proposition through its management and portfolio of projects from diversified renewable energy sources (solar, wind, run-of-river hydro) and has signed several long-term power supply agreements as secure off-take markets. The Company also has a lean organization, with senior management actively engaged in the daily operations and project development.

Item 2. Properties

Property, Plant and Equipment

	Land	Solar Power Plant	Office Equipment	Furniture and Fixtures	Computer Software	Construction in Progress	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 12)	-	-	-	-	-	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 Notes 22 and 23)	-	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

	Land	Solar Power Plant	Office Equipment	Furniture and Fixtures	Computer software	2023 Total
Cost						
At July 1	P512,241,765	P538,613,485	P1,087,850	P29,451	P249,331	P1,052,221,882
Additions	-	1,419,673	583,213	2,308	-	2,005,194
Adjustment from remeasurement of asset retirement obligation	-	(810,070)	-	-	-	(810,070)
At June 30	512,241,765	539,223,088	1,671,063	31,759	249,331	1,053,417,006
Accumulated Depreciation						
At July 1, as restated	-	1,602,168	865,681	29,451	244,717	2,742,017
Depreciation	-	29,365,261	192,526	770	1,116	29,559,673
At June 30	-	30,967,429	1,058,207	30,221	245,833	32,301,690
Net Book Values	P512,241,765	P508,255,659	P612,856	P1,538	P 3,498	P1,021,115,316

On April 26, 2024 and June 4, 2024, AWPC and ATWC issued their respective notices to proceed (“NTP”) which signifies the start of construction of their respective wind projects. As such, project development costs amounting to ₱370.78 million and ₱296.88 million for AWPC and ATWC, respectively, were reclassified to construction in progress (see Note 12).

As of June 30, 2024 and 2023, the cost of fully depreciated property, plant and equipment that are still being used in the Group’s operations amounted to ₱0.72 million and ₱0.51 million, respectively.

Property, plant and equipment of certain subsidiaries with net book value of ₱610.69 million and ₱647.76 million as of June 30, 2024 and 2023, respectively, have been mortgaged as security for their respective loans (see Note 18).

Item 3. Legal Proceedings

As of date of filing, the Parent Company, its subsidiaries and affiliates, and their properties are not subject to any material or significant pending legal proceedings.

Item 4. Submission of Matters to a Vote of Security Holders

During the fiscal year covered by this report, matters submitted to the vote of security holders involve the election of directors and the appointment of the external auditor of the Parent Company.

Directors elected during the Annual Shareholders Meeting are enumerated in *Part III. Control and Compensation, Item 9. Directors and Officers of the Registrant*.

PART II. OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant’s Common Equity and Related Stockholders Matters

On February 10, 2023 and February 14, 2023, the SEC and 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”. Below is a summary of the trading prices of the Parent Company’s listed shares for the fiscal year ended June 30, 2024 and 2023:

2024	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
High	0.85	0.79	0.77	0.75
Low	0.81	0.74	0.75	0.72

2023	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
High	N/A	N/A	1.32	1.10
Low	N/A	N/A	1.24	1.04

Stockholders

As of June 30, 2024, the Company has 986 shareholders. Listed below are the top twenty (20) shareholders of the Parent Company, the number of shares held, and the percentage of ownership as of June 30, 2024:

	Name of Stockholder	No. of Shares Held	Percentage of Ownership
1	Vespers Holdings Corporation	1,700,386,338	43.22%
2	PCD NOMINEE CORPORATION - Filipino	1,179,135,075	29.97%
3	Odin Holdings Corporation	366,812,285	9.32%
4	Penhurst Kinetic Corp.	258,319,680	6.57%
5	PCD Nominee Corporation – Non-Filipino	140,502,871	3.57%
6	Josan Farms, Inc.	129,663,871	3.30%
7	Republic Glass Holdings Corp	62,400,000	1.59%
8	Michael James Lichtenfeld	48,119,129	1.22%
9	BDO Unibank, Inc. Trust and Investments Group	45,083,179	1.15%
10	Metropolitan Management Corporation	2,140,000	0.05%
11	Janina C. Arriola	1,000,000	0.03%
12	Maria Carmen de Gala Garcia	107,000	0.00%
13	Myra P. Villanueva	100,000	0.00%
14	Elvira M. Cruz or Bernardo A. Cruz	50,000	0.00%
15	Maria Victoria C. España	11,000	0.00%
16	Luisito S. Pangilinan	10,000	0.00%
17	Vicente S. Pérez, Jr.	20	0.00%
18	Gerry P. Magbanua	10	0.00%
19	Eduardo Martinez Miranda	10	0.00%
20	Knud Hedeager	10	0.00%

Item 6. Management's Discussion and Analysis or Plan of Operation

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

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

On March 24, 2023, the Alternergy Holdings Corporation and its subsidiaries (collectively, the "Group") listed 1.265 million common shares in the Philippine Stock Market at ₱1.28/share. The

Group was able to raise ₱1,619.2 million from its initial public offering. By end of June 2024, the public ownership of ALTER stood at 33.91%.

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 million Perpetual Preferred Shares 2 Series A to GSIS with an issue price of ₱14.50 per share and par value of ₱0.10 per share, for a total subscription amount of ₱1,450.00 million. On March 22, 2024, these shares have been successfully listed in the PSE.

- 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 September 24, 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 June 30, 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 June 30, 2024, the Group has entered into agreements with contractors for its Tanay Wind Project, Alabat Wind Project and Solana Solar Project totaling ₱19.2 million 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 June 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 June 30, 2024, there were no seasonal aspects that had a material effect on the financial condition or results of operations.

FY2024 vs FY2023 Highlights

As at June 30, 2024 vs June 30, 2023 and for the years ended June 30, 2024 vs 2023

Corporate and Operations

In July 2022, the Parent Company applied for the listing and trading of all its issued and outstanding common shares. On February 10, 2023 and February 14, 2023, the SEC and 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 IPO and was listed in the PSE under the stock symbol "ALTER".

In November 2023, the Parent Company and the GSIS entered into and signed a subscription agreement for the former's Perpetual Preferred Shares 2 Series A amounting to ₱1.45 billion. On December 22, 2023, the Parent Company issued 100 million Perpetual Preferred Shares 2 Series A to GSIS with an issue price of ₱14.50 per share and par value of ₱0.10 per share. On March 22, 2024, these shares have been successfully listed in the PSE.

Significant developments of the Group:

- The Group won its bids for in the GEA 2 held last July 3, 2023.
- Within the next two years, the Group will be building seven projects with up to 416 MW of installed capacity, a jump from 86 MW to 502 MW in gross installed capacity in 2 years.
- Two of the Group's projects that won the GEA 2 are wind with a combined capacity of 192 MW. These are the ATWC Project, with installed capacity of up to 128 MW, located adjacent to its existing Pililla Rizal wind farm, and the Alabat Wind Power Corporation ("AWPC") Project, with potentially up to 64 MW, located in the province of Quezon.
- ALTER, through its recently acquired LSEC, also won the bid for its solar ground-mounted power project, with up to 80.0 MW_{DC} of installed capacity, located in Tarlac province. ALTER owns 60% economic interest in LSEC as of June 30, 2024.
- Once operational, these projects will contribute significant steady flow of revenues and accelerate achieving the Group's goal of 500 MW by end of 2026 for annual generation from renewable power. Under the GEA 2, winning bidders will sign a 20-year Renewable Energy Payment Agreement ("REPA") or equivalent agreement with the National Transmission Corporation ("TransCo")/ Independent Electricity Market Operator ("IEMOP") in the Philippines.
- Aside from the anticipated positive impact of the projects to the Group, new investments under the green energy auction will boost economic activities of its host communities and create hundreds of renewable energy jobs.

- SSAI, a subsidiary of SPEC, a 60%-owned subsidiary of ALTER, signed a power supply agreement with Villar Group's Kratos RES Inc. ("Kratos RES"), which is in the of selling power to qualified bulk end-users. SSAI will supply Kratos RES with 10 MW and up to 20 MW of renewable power from its soon-to-be built Solana Solar Power Project in Hermosa, Bataan. The Solana Solar Power Project has secured financing commitments from a leading Philippine commercial bank.
- ALTER and SPEC have recently launched the Republic of Palau's first solar and battery energy storage system ("BESS") project in Ngatpang state on Babeldaob island through Solar Pacific Pristine Power Inc. ("SPPP"). With a capacity of up to 15.3 MW_p solar PV and up to 12.9 MWh BESS, the project is claimed as the largest of its kind in the Western Pacific region, also making it one of the most significant foreign direct investments in the island nation. The project will meet more than 20% of Palau's energy needs. SPEC was awarded a long-term power supply agreement by the Palau Public Utilities Corporation to feed power to the central grid in Babeldaob.
- On August 4, 2023, the Board approved the reclassification of the Preferred Shares to Redeemable Preferred Shares ("RPS") 1 and RPS 2. The RPS 2 are further sub-divided into RPS 2 - Series A, RPS 2 - Series B, and RPS 2 - Series C. The reclassification of the preferred shares are preparatory to a future funding exercise.
- On October 9, 2023, ATWC entered into a 25-year Lease Contract with Revenue-Sharing Agreement ("LCRSA") with the Rizal Provincial Government for its Tanay Wind Farm.
- The Palau Solar and BESS project started commercial operations on December 31, 2023.
- On November 7, 2023, the Parent Company and GSIS entered into and signed a subscription agreement for ALTER's RPS 2 – Series A amounting to ₱1.45 billion. On December 22, 2023, the Parent Company issued 100 million RPS 2 – Series A to GSIS with an issue price of ₱14.50 per share and par value of ₱0.10 per share, for a total subscription amount of ₱1.45 billion. On March 22, 2024, these shares have been successfully listed in the PSE.
- As of June 30, 2024, the Group has entered into Turbine Supply and Full-Service Agreements with Envision Energy on February 1, 2024, and Civil and Electrical Works Contract with China Energy Engineering Group Guangdong Electric Power Design Institute Co. Ltd ("GEDI") on March 8, 2024.
- On May 29, 2024, the Parent Company entered into a ₱2.0 billion Green Corporate Loan to fund its investments in renewable energy projects.
- On August 21, 2024, the Group entered into an EPC Agreement with GEDI for the construction of the Solana Solar Project.

Financials

The Group posted a consolidated net income of ₱129.6 million for the year ended June 30, 2024, improving from the ₱38.0 million in 2023. This is mainly driven by: 6-month period of operations by our Palau Solar and BESS Project, (2) project cost recovery from the Palau Solar and BESS Project, and (3) higher interest income.

The Group's cash was also healthier at ₱3.3 billion as of June 30, 2024, boosted by the net proceeds from the private placement of the Parent Company's preferred shares and the avail Green Corporate Loan. The increase was partially offset by payments made for project development costs and advances to related parties.

As a result, consolidated assets of the Group surged by 79% to ₱8.7 billion as of June 30, 2024, up from ₱4.9 billion as of June 30, 2023. With a healthy cash position, the Group infused funding to its subsidiaries and affiliates to accelerate the project development of the Tanay and Alabat wind

projects, the Solana solar project, the Liberty aquavoltaic 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 Kiangang, respectively.

Liabilities increased mainly due to the Green Corporate loan of the Parent Company, as well as the recognition of lease liability from its Tanay land lease.

Key Performance Indicators

With total equity increased by 58% or ₱4.3 billion after the private placement of the Parent Company's preferred shares, the Group's consolidated debt-to equity ratio for the year was at 1.12:1 as of June 30, 2024 from 0.79:1 as of June 30, 2023.

The Group's earnings before interest, taxes, depreciation and amortization ("EBITDA") for the year ended June 30, 2024 improved at ₱320.4 million, which improved from ₱180.0 million 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 higher by 60% at ₱274.9 million for the year ended June 30, 2024 as compared to ₱171.5 million in 2023. This increase was primarily due to revenues from the Group's Palau Solar and BESS Project, which recognized revenues amounting to ₱87.3 million for its first 6 months of operations.

Cost of sale of electricity also increased alongside the revenues from ₱60.1 million for the year ended June 30, 2023 to ₱101.5 million for the year ended June 30, 2024.

Equity in net earnings of associates stands at a modest ₱5.3 million for the year ended June 30, 2024 compared to 2023 mainly due to losses incurred from the Kiangang Hydro Project.

General and administrative expenses was higher for the year ended June 30, 2024 at ₱119.5 million, an increase of 128%, from ₱52.5 million for the year ended June 30, 2023 mainly due to the impairment of the Ibulao Hydro Project's project development costs, as well as higher outside services, professional fees, and salaries.

Other income - net turned around by ₱121.3 million from a loss of ₱33.3 million for the year ended June 30, 2023, which is mainly composed of higher finance costs and lower interest income. For the year ended June 30, 2024, it is primarily composed of project cost recovery from the Palau Solar Farm Project, a significantly higher interest income and lower finance costs.

Consolidated Statements of Financial Position as at June 30, 2024 vs June 30, 2023

Current assets increased by ₱2.1 billion from ₱1.6 billion as of June 30, 2023, to ₱3.7 billion as of June 30, 2024, mainly attributable to ₱1.45 billion gross proceeds from the private placement of the Parent Company's preferred shares and the availment of a ₱2.0 billion Green Corporate loan by the Parent Company. The increase was partially offset by advances to affiliates and additional project development costs for the ramp up of several projects. Due from related parties also increased by ₱445.6 million as of June 30, 2024 from ₱129.6 million as of June 30, 2023 from additional funding to the Group's hydro projects.

Noncurrent asset increased from ₱3.3 billion as of June 30, 2023 to ₱5.0 billion as of June 30, 2024 mostly due to net additions to investments in and advances to associates, property, plant and equipment, project development costs, and right-of-use assets. These additions were partially offset by dividends received from associates.

Current liabilities increased by ₱110.7 million from ₱634.7 million as of June 30, 2023 to ₱745.4 million as of June 30, 2024. This was mostly due to additional costs incurred as the Tanay and Alabat Wind Projects are ramping up.

Noncurrent liabilities was higher as at June 30, 2024 at ₱3.7 billion by ₱2.2 million from ₱1.5 billion as at June 30, 2023, due to additional drawdown of by the Parent Company for its Green Corporate loan, alongside the recognition of lease liability from the Tanay land lease.

Equity was healthier at ₱4.3 billion as at June 30, 2024 by ₱1.6 billion from ₱2.7 billion as at June 30, 2023 and is mainly attributable to the Parent Company's private placement of its preferred shares. Capital stock and additional paid-in capital ("APIC") increased to ₱440.4 million and ₱3.0 billion, respectively, as at June 30, 2024 from ₱430.4 million and ₱1.6 billion, respectively, as at June 30, 2023. Retained earnings of the Group turned around by ₱67.2 million to ₱66.6 million as at June 30, 2024, which is a significant improvement of the Group's operations from a deficit of ₱0.6 million as at June 30, 2023. The recovery of the Group's retained earnings was due to higher revenues and better cash management which resulted to lower finance costs and higher interest income in 2024.

FY2023 vs FY2022 Highlights

As at June 30, 2023 vs June 30, 2022 and for the year ended June 30, 2023 vs the six-month period ended June 30, 2022

Corporate and Operations

In July 2022, Alternergy Holdings Corporation (“ALTER” or the “Parent Company”) applied for the listing and trading of all its issued and outstanding common shares. On February 10, 2023 and February 14, 2023, the Securities and Exchange Commission (“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”.

Significant developments of the Group:

- Two of the Group’s projects that won the GEA 2 are wind with a combined capacity of 164 MW. These are the Alternergy Tanay Wind Corporation (“ATWC”) Project, with installed capacity of up to 101.4 MW, located adjacent to its existing Pililla Rizal wind farm, and the Alabat Wind Power Corporation (“AWPC”) Project, with potentially up to 62.4 MW, located in the province of Quezon.
- ALTER, through its recently acquired Liberty Solar Energy Corporation (“LSEC”), also won the bid for its solar ground-mounted power project, with up to 80.0 MW_{DC} of installed capacity, located in Tarlac province. ALTER owns 60% economic interest in LSEC as of June 30, 2023.
- Once operational, these projects will contribute significant steady flow of revenues and accelerate achieving the Group’s goal of 1,139 GWh of annual generation from renewable power. Under the GEA 2, winning bidders will sign a 20-year Renewable Energy Payment Agreement (“REPA”) or equivalent agreement with the National Transmission Corporation (“TransCo”)/ Independent Electricity Market Operator (“IEMOP”) in the Philippines.
- Aside from the anticipated positive impact of the projects to the Group, new investments under the green energy auction will boost economic activities of its host communities and create hundreds of renewable energy jobs.
- Solana Solar Alpha Inc. (“SSAI”), a subsidiary of Solar Pacific Energy Corporation (“SPEC”, a 60%-owned subsidiary of ALTER), signed a power supply agreement with Villar Group’s Kratos RES Inc. (“Kratos RES”), which is in the of selling power to qualified bulk end-users. SSAI will supply Kratos RES with 10 MW and up to 20 MW of renewable power from its soon-to-be built Solana Solar Power Project in Hermosa, Bataan. The Solana Solar Power Project has secured financing commitments from a leading Philippine commercial bank.
- ALTER and SPEC have recently launched the Republic of Palau’s first solar and battery energy storage system (“BESS”) project in Ngatpang state on Babeldaob island through Solar Pacific Pristine Power Inc. (“SPPP”). With a capacity of up to 15.3 MW_p solar PV and up to 12.9 MWh BESS, the project is claimed as the largest of its kind in the Western Pacific region, also making it one of the most significant foreign direct investments in the island nation. The project will meet more than 20% of Palau’s energy needs. SPEC was awarded a long-term power supply agreement by the Palau Public Utilities Corporation to feed power to the central grid in Babeldaob.

Financials

The Group posted a consolidated net income of ₱38.0 million for the year ended June 30, 2023, recovering from its net loss of ₱145.2 million for the 6-month period ended June 30, 2022. This was

largely due to a ₱162.2 million increase in revenues as a result of consolidation activities brought about by the acquisition of Kirahon Solar Energy Corporation ("KSEC") on June 10, 2022.

The Group's cash ballooned by 110% to ₱1.2 billion as of June 30, 2023, boosted by the net IPO proceeds of ₱1,619.2 million. From the IPO proceeds, ₱720.0 million was allocated to the pre-development of six renewable projects totaling 183 MW under the Group's Triple Play pipeline of wind, solar, and hydro projects.

As a result, consolidated assets of the Group surged by 41% to ₱4.9 billion as of June 30, 2023, up from ₱3.4 billion as of June 30, 2022, as continued investments were injected into the Group's three projects under construction totaling 35 MW. These projects are the solar farm and battery project in Palau and two run-of-river hydro projects in Nueva Ecija and Ifugao.

An additional ₱522.0 million was allocated to settle liabilities from the purchase of majority control of the 12.5 MW_{AC} KSEC's Kirahon Solar Farm operating since 2015, and ₱157.0 million was set aside for general working capital requirements.

Liabilities declined due to repayment of payables to former shareholders of KSEC, repayment of a bank working capital facility, and a loan mortgaged against the SSAI property.

Key Performance Indicators

With total equity increased by 138% or ₱1.6 billion after the IPO, the Group's consolidated debt-to-equity ratio for the quarter improved to 0.79:1 as of June 30, 2023 from 1.38:1 as of June 30, 2022.

The Group's EBITDA for the year ended June 30, 2023 was positive at ₱180.0 million, which improved from ₱23.3 million for the six-month period June 30, 2022.

One of the Group's solar power projects is near the end of construction. The 13.2 MW_{AC} Palau solar farm and battery project is on schedule to achieve commercial operations in the 4th quarter of 2023.

Consolidated Statements of Comprehensive Income

Revenue from sale of electricity was ₱171.5 million for the full year ended June 30, 2023 as compared to ₱9.3 million for the six-month period ended June 30, 2022. Revenues recognized in 2022 covered operations from KSEC only from June 11 to 30, 2022. On June 10, 2022, ALTER acquired 50% aggregated direct interest in KSEC from the latter's shareholders, which resulted to control over KSEC. Prior to KSEC's acquisition, KSEC was an associate of the Parent Company.

Cost of sale of electricity also increased alongside the revenues from ₱3.3 million for the six-month period ended June 30, 2022 to ₱60.1 million for the year ended June 30, 2023.

Equity in net earnings of associates has grown by ₱5.5 million, or 33%, to ₱21.9 million for the year ended June 30, 2023 compared to the six-month period ended June 30, 2022 due to better performance and improved net income from its associates, most notably Pililla Wind Power Corporation (formerly Alternergy Wind One Corporation) and Solar Pacific CitySun Corporation.

General and administrative expenses was lower for the year ended June 30, 2023 by ₱0.7 million, or 1%, from ₱53.2 million for the six-month period ended June 30, 2022. This is mostly from IPO expenses and fund raising activities by the Group. In 2022, IPO-related expenses amounted to ₱12.1 million and taxes and licenses were higher than usual at ₱19.1 million due to DST payments and filing fees.

Other charges – net decreased by ₱87.0 million from ₱120.3 million for the six-month period ended June 30, 2022, which is mainly composed of one-off expenses for the Group’s restructuring, amounting to ₱159.8 million, and slightly offset by project cost recovery amounting to ₱36.6 million. Other charges – net for the year ended June 30, 2023 is mostly from higher finance costs, amounting to ₱88.0 million, and offset by project cost recovery ₱40.9 million, respectively.

Consolidated Statements of Financial Position as at June 30, 2023 vs June 30, 2022

Current assets increased by ₱754.2 million from ₱813.5 million as of June 30, 2022, to ₱1.6 billion as of June 30, 2023, mainly attributable to ₱1.6 billion gross proceeds from the recently concluded IPO listing. The increase was partially offset by payment of accrued liabilities on the acquired KSEC shares, investments in SSAI, and repayment of working capital loan. Trade and other receivables also increased by ₱63.7 million as of June 30, 2023 from ₱19.3 million as of June 30, 2022 mainly due to recognition of receivables from cost recovery of its Palau solar and BESS project.

Noncurrent asset increased from ₱2.7 billion as of June 30, 2022 to ₱3.3 billion as of June 30, 2023 mostly due to net additions to contract assets, amounting ₱585.5 million, representing the costs incurred in the on-going construction activities of the Palau solar and BESS project. Other factors for the increase also pertain to increase in investments in and advances to associates and joint ventures amounting to ₱31.5 million, and additional project development costs amounting to ₱84.9 million.

Current liabilities decreased by ₱334.7 million from ₱969.4 million as of June 30, 2022 to ₱634.7 million as of June 30, 2023. This was due to the payment of the accrued liabilities on the acquired KSEC shares, amounting to ₱467.4 million, and partially offset by the availment of a short-term loan by the Parent Company, amounting to ₱250.0 million.

Noncurrent liabilities was slightly higher as at June 30, 2023 at ₱1.5 billion by ₱180.9 million from ₱1.3 billion as at June 30, 2022 due to additional loan drawdown of US\$9.0 million for the Palau solar and BESS project, and slightly offset by payments made for the early termination of the Parent Company’s long-term bank loan and principal repayment, amounting to ₱232.5 million and ₱59.0 million, respectively.

Equity escalated to ₱2.7 billion as at June 30, 2023 by ₱1.6 billion from ₱1.1 billion as at June 30, 2022 and is mainly attributable to the Parent Company’s IPO. Capital stock and additional paid-in capital (“APIC”) increased by ₱430.4 million and ₱1.2 billion, respectively, to ₱430.4 million and ₱1.6 billion, respectively, as at June 30, 2023 mainly due to issuance of shares from the IPO. Deficit of the Group amounted to ₱0.6 million as at June 30, 2023, which significantly reduced from a deficit of ₱227.3 million as at June 30, 2022 due to lower overall expenditures by the Group and quasi-reorganization by the Parent Company. This was slightly offset by a decrease of the Parent Company’s deposit for future stock subscription.

FY2022 vs CY2021 Highlights

As at June 30, 2022 vs December 31, 2021 and for the six-month period June 30, 2022 vs the year ended December 31, 2021

Financials

The Group posted a consolidated net loss of ₱145.2 million for the six-month period ended June 30, 2022, from its net income of ₱112.8 million for the year ended December 31, 2021. This was largely due to other charges of ₱120.3 million for the six-month period ended June 30, 2022 compared to ₱136.0 million other income for the year ended December 31, 2021.

The Group's cash was significantly higher by ₱488.0 million at ₱581.6 million as of June 30, 2022, from ₱93.6 million. This could be broken down into the following major inflows: 1) US\$6.7 million representing the equity infusion into SPPP from its existing and new shareholders 2) proceeds from the loan drawdown by SPPP from EFA amounting to US\$9.0 million 3) ₱37.7 million representing the equity infusion of Vespers Holdings Corporation booked as deposit for future subscription in ALTER 4) proceeds of US\$1.5 million from a loan drawdown by ALTER from OCBC and lastly 5) ₱214.0 million from EXETER representing its equity infusion in LAMHC and booked as deposit for future subscription. These inflows are vital in funding the Group's various project development and construction activities.

On June 10, 2022, the Parent Company acquired 50% direct interest in KSEC from the latter's shareholders for a total consideration of ₱522.2 million, which resulted to control over KSEC. Prior to the acquisition, KSEC was an associate of the Group through SPEC. Goodwill was also recognized due to the acquisition but will be finalized within 12 months from acquisition date. In accordance with Philippine Interpretation IFRIC 12, Service Concession Arrangements, the Group recognized contract asset amounting to ₱574.9 million representing cost incurred in the ongoing construction activities of the Palau Solar Hybrid Project.

Current liabilities swelled to ₱969.4 million as of June 30, 2022 from ₱159.6 million as of December 31, 2021 due to payables to KSEC's former shareholders and advances from a third party.

Consolidated Statements of Comprehensive Income

Revenue from sale of electricity of ₱9.3 million for the six-month period ended June 30, 2022 is directly attributable to KSEC. Revenues recognized in 2022 covered operations from KSEC only from June 11 to 30, 2022. Prior to KSEC's acquisition, KSEC was an associate of the Parent Company.

Cost of sale of electricity of ₱3.3 million for the six-month period ended June 30, 2022 is also directly attributable to KSEC's operations.

Equity in net earnings of associates significantly decreased by ₱19.5 million, or 54%, to ₱16.4 million for the six-month period ended June 30, 2022 compared to the year ended December 31, 2021. As a result of the acquisition of 65% direct and indirect stake in KSEC in 2022, the income from KSEC was no longer accounted for as earnings from associates.

General and administrative expenses was slightly lower in the six-month period ended June 30, 2023 by ₱0.9 million from ₱54.1 million for the year ended December 31, 2021. For the six-month period ended June 30, 2022, taxes and licenses and professional fees were significantly higher due to

restructuring activities and acquisition of KSEC as compared to the year ended December 31, 2021. Outside services and salaries and wages for the year ended December 31, 2021 were also higher compared to the six-month period ended June 30, 2022.

Other charges – net for the six-month period amounting to ₱120.3 million was a significant turnaround from ₱136.0 million other income position for the year ended December 31, 2021. Other charges for the six-month period ended was mainly composed of one-off expenses for the Group's restructuring, amounting to ₱159.8 million, and slightly offset by project cost recovery, amounting to ₱36.6 million. Other income – net for the year ended December 31, 2021 is mostly from project cost recovery of ₱133.6 million.

Consolidated Statements of Financial Position as at June 30, 2023 vs June 30, 2022

Current assets increased by ₱603.7 million from ₱209.8 million as of December 31, 2021 to ₱813.5 million as of June 30, 2022, mainly attributable to a significantly higher cash position, amounting ₱581.6 million, as of June 30, 2022 due to the following major inflows: 1) US\$6.7 million representing the equity infusion into SPPP from its existing and new shareholders 2) proceeds from the loan drawdown by SPPP from EFA amounting to US\$9.0 million 3) ₱37.7 million representing the equity infusion of Vespers Holdings Corporation booked as deposit for future subscription in ALTER 4) proceeds of US\$1.5 million from a loan drawdown by ALTER from OCBC and lastly 5) ₱214.0 million from EXETER representing its equity infusion in LAMHC and booked as deposit for future subscription. Trade and other receivables also increase by ₱18.3 million as of June 30, 2022 from ₱1.0 million as of December 31, 2021 was largely due to the trade receivable from the sale of electricity to CEPALCO, the client of KSEC.

Noncurrent asset increased from ₱516.3 million as of December 31, 2021 to ₱2.6 billion as of June 30, 2022, significant increase was due to the following: 1) the acquisition of KSEC which allowed ALTER to recognize the book value of the Kirahon Solar Plant amounting to ₱685.9 million and 2) the capitalization of the construction costs of the Palau Solar Hybrid Project amounting to ₱574.9 million. Additionally, the Group recognized goodwill, amounting to ₱238.4 million, customer off-take agreement, amounting to ₱282.3 million, net fair value adjustment of KSEC's property, plant and equipment, amounting to ₱151.0 million, from the Parent Company's acquisition of KSEC, and right-of-use asset, amounting to ₱59.3 million for the six-month period ended June 30, 2022.

Current liabilities was higher by ₱809.8 million from ₱159.6 million as of December 31, 2021 to ₱969.4 million as of June 30, 2022. This was due to liabilities owed to the former shareholders of KSEC from the acquisition of its shares, amounting to ₱467.4 million. The Group also received advances from a third-party, signifying the latter's interest to invest in one of the Group's hydro projects, amounting to ₱214.0 million, which represented a 40% economic ownership stake in one of the Group's subsidiaries, Lamut-Asipulo Mini Hydro Corporation.

Noncurrent liabilities was significantly higher as at June 30, 2022 at ₱1.3 billion by ₱1.2 billion from ₱157.3 million as at December 31, 2021 due to additional loans from several banks to finance the Group's projects in Misamis Oriental and Palau and for working capital, investments, and general corporate funding purposes.

Equity increased to ₱1.1 billion as at June 30, 2022 by ₱731.7 million from ₱409.2 million as at December 31, 2021 and is mainly attributable to additional investments in the Parent Company, which was lodged under deposit for future stock subscription amounting to ₱297.9 million. Non-controlling interests also rose to ₱613.1 million from ₱51.9 million due to additional investments made by third parties to the Parent Company's subsidiaries, as well as adjustments from the acquisition of KSEC. Deficit of the Group amounted to ₱227.2 million as at June 30, 2022, which is higher than the deficit as of December 31, 2021 of ₱82.9 million due to restructuring expenses and lower share in net earnings of associates for the six-month period ended June 30, 2022, as compared to the year ended December 31, 2021 which had higher share in net earnings in associates and project cost recovery.

Item 7. Financial Statements

The Company's Audited Consolidated and Parent Company Financial Statements as at June 30, 2024 and 2023, and for the years ended June 30, 2024 and 2023, and for the six-month period ended June 30, 2022 are attached as Exhibit C to this report.

Item 8. Changes and Disagreements with Accountants on Accounting and Financial Disclosure

The Company's current auditor, SyCip, Gorres, Velayo & Co. ("SGV"), had been the Company's auditor since its incorporation. There have been no disagreements between management and the Company's auditor for any matter pertaining to accounting principles or practices, financial statement disclosures, or audit scope or procedures.

For the year ended June 30, 2023 and for the six-month period ended June 30, 2022, SGV has billed the Company ₱3.0 million and ₱0.9 million, respectively, in fees for the professional services rendered for the audit of the Company's annual financial statements, including any services that are normally provided by the external auditor in connection with any and all statutory and regulatory filings for 2023 and 2022. Non-audit services rendered by SGV for 2023 and 2022 amounted to ₱0.7 million and ₱4.9 million, respectively. Non-audit services in 2022 include services rendered for the eventual IPO in March 2023.

SGV discusses the nature and scope of the audit with the Company's Audit Committee before the audit commences, as well as during the closing of the audit. The Audit Committee also examines and evaluates non-audit services that SGV may provide to the Company, and pre-approves such services, after which, the Audit Committee delegates to the President, CFO and Comptroller any discussion or negotiation with regards to such non-audit services that the Group may enter into with SGV.

PART III. CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Officers of the Registrant

Our Board of Directors and Officers



Vicente S. Pérez, Jr.
Chairman of the Board



Gerry P. Magbanua
Director; President



Janina C. Arriola
VP and General Counsel



Knud Hedeager
Director; President and CEO, Wind



Michael James Lichtenfeld
Director; President and CEO, Solar



Eduardo Martinez Miranda
Director; President and CEO, Hydro



Maria Theresa Dela Peña Marcial
Independent Director



Gregory L. Domingo
Independent Director



Maria Victoria C. España
Independent Director



Ephyro Luis B. Amatong
Board Advisor



Maria Carmen G. Diaz
CFO and CSO



Annette M. Rafael
VP for Government Affairs and Hydro



Luisito S. Pangilinan
Treasurer



Anna Melissa R. Lichaytoo
Corporate Secretary



Sherleen Lourds R. Macatangay
Assistant Corporate Secretary

Board of Directors

The following are the Directors of the Parent Company:

Name	Age	Position
Vicente S. Pérez, Jr.	66	Chairman
Gerry P. Magbanua	50	Director
Knud Hedeager	64	Director
Michael James Lichtenfeld	45	Director
Eduardo Martinez Miranda	64	Director
Janina C. Ariola	54	Director
Maria Theresa Dela Peña Marcial	54	Independent Director
Gregory L. Domingo.	70	Independent Director
Maria Victoria C. España	59	Independent Director
Ephyro Luis B. Amatong	52	Board Adviser

Vicente S. Pérez, Jr. (Chairman and Director) is the Founder and current Chairman of Alternergy. He has been a director of the Corporation since its incorporation in 2009 to date. He was Philippine Energy Secretary from June 2001 to March 2005. He promoted clean indigenous energy and crafted a ten-year renewable energy policy framework. Vince played a key role in President Arroyo's economic diplomacy, by forging strategic energy partnerships with several Asian countries, the UK and USA. He served briefly in early 2001 as Undersecretary at the Department of Trade and Industry. Prior to his

government service, Vince had 17 years' experience in debt restructuring, capital markets, and private equity in emerging markets. He joined Mellon Bank in Pittsburgh in 1983 as Latin American credit analyst and Mexico desk officer. In 1987, Vince joined Lazard Brothers' debt trading team in London. The following year he moved to Lazard Frères in New York and formed its emerging markets team. At 35, he became the first Asian General Partner at Lazard Frères. He was Managing Director of Lazard Asia from 1995 to 1997. Vince founded Next Century Partners in 1997, a private equity firm, and launched the Philippine Discovery Fund and the Asian Conservation Company. He assisted several investee companies with their Singapore Stock Exchange listings. He was also Chairman of Merritt Partners, an energy advisory firm focused on Asia. He has served as independent director of Energy Development Corporation and SM Investments and is currently an independent director of Banco de Oro Universal Bank and Double Dragon Properties. He is on the advisory boards of Pictet Clean Energy Fund and Yale Center for Business in the Environment. He was chairman of WWF-Philippines and trustee of WWF-International and was vice chairman of National Renewable Energy Board from 2009 to 2010. Vince obtained an MBA from the Wharton Business School of the University of Pennsylvania and a Bachelor's Degree in Business Economics from the University of the Philippines. He was a World Fellow at Yale University, where he lectured an MBA class on renewable power in emerging countries.

Gerry P. Magbanua (President and Director) is a co-founder and President of Alternergy Holdings Corporation. He has been a director of the Corporation since its incorporation in 2009 to date and was the Corporation's Treasurer from 2009 to 2017. Prior to joining Alternergy in June 2007, Gerry spent nine years with InterGen, a leading global green-field power developer with plants in Australia, Mexico, Netherlands, Philippines, Singapore and UK. Gerry worked as Commercial Manager for InterGen in the Philippines for four years, responsible for financial modeling and planning, asset management, and contracts management. He also served as Controller responsible for accounting, tax and treasury. Before joining InterGen, he spent 4 years with SGV, an affiliate company of Ernst & Young, as an auditor for the power, oil and gas industry. Gerry completed his degree in Bachelor of Science in Accountancy at the Philippine School of Business Administration and is a Certified Public Accountant. He served briefly as CFO of NorthWind in 2008 and 2009.

Knud Hedeager (Director) is a co-founder of Alternergy Holdings Corporation. He was a director of the Corporation from 2009 to 2014 and from 2018 to date. Prior to joining Alternergy in January 2007, he gained extensive experience in management and has worked in the wind industry for 11 years initially as Senior Vice President in NEG Micon, one of the world's leading wind turbine manufacturers, with responsibility for its business in Southeast Asia and its worldwide hybrid power business (combining diesel and wind turbines in off-grid applications). In 2004, when he took up residence in Manila, Knud founded the Moorland Group investing in renewable power projects primarily in Asia. Until March 2011, Moorland had a 28% equity stake in NorthWind Power which successfully developed, built and operates the first commercial wind farm in Southeast Asia in northern Philippines. He also developed a 1.8MW mini hydro project for Smith Bell Mini Hydro Corporation. Knud graduated with a degree in Mechanical Engineering from Aarhus Technical University in Denmark.

Michael James Lichtenfeld (Director) is the co-founder of Solar Pacific. He has been a director of the Corporation since 6 March 2023 to date. Prior to co-founding Solar Pacific in 2013, he served as Director of Utility Solar Development at SunEdison, LLC. He had also held leadership positions in US solar company MMA Renewable Ventures LLC and Spanish solar IPP Fotowatio SL (FRV). He has

managed a portfolio of over 300MW of solar development assets and has closed more than \$250 million in solar project financings. His background includes investment banking with UBS, private equity investing at Blue Wolf Capital Management in New York, and conservation finance at The Nature Conservancy in Indonesia. Mike holds an MBA and MEM from Yale University.

Eduardo Martinez-Miranda (Director) is the President of Alternergy Mini Hydro Holdings Corporation. He has been a director of the Corporation since 2018 to date. Prior to joining Alternergy in 2014, Eduardo has extensive experience in banking and management. Eduardo has more than 30 years of experience working in commercial banking, investment banking, private equity and multilateral finance firms both in the Philippines, Hong Kong and New York. He started as an Assistant Secretary at the Far East Bank and Trust Company, and then joined Irving Trust Company based in New York as a Syndications Representative where he successfully initiated analysis to restructure, securitize and price the bank's mortgage and retail portfolios. He later joined Drexel Burnham Lambert Inc. also based in New York, as an Associate of the firm's Capital Markets Strategies Group where he actively managed investment portfolios ranging from \$25 million to \$2 billion for various U.S. financial institutions. Back in Manila, he became the Senior Vice President and Managing Director of PCI Capital Corporation, Director and Head of Corporate Finance of Merrill Lynch Securities Philippines, Managing Director of NCP Advisors Philippines, and Managing Director and Head of Philippine Investment Banking operations of Macquarie Securities Philippines. He later became the Senior Investment Officer and Hub Leader for the International Finance Corporation (IFC) Financial Institutions Group in the Philippines.

Janina C. Arriola is Vice President and General Counsel of Alternergy and as such acts as internal legal, regulatory, and contractual advisor to the Company. Her experience and expertise span all stages of power plant project development, as well as energy and electric power industry regulation. Ms. Arriola started her career as an associate at Puno Law Offices and then went on to work as in-house counsel (Assistant Vice President) at First Gen Corporation and the First Gas Group of Companies, where she also served as Corporate Secretary. She was later seconded to Energy Development Corporation after its acquisition by First Gen in 2007 and headed EDC's Contracts Management Division. Ms. Arriola established an independent consultancy after her stint at EDC, advising clients engaged in developing and operating natural gas, geothermal, hydro, wind, and solar power plants. Prior to joining Alternergy in May 2021, Ms. Arriola was Legal Group Head at Federal Land, Inc., one of the largest real estate developers in the country, and co-founded Winnergy Holdings Corporation, the renewable energy company that built and operated the first ever floating solar farm in the Philippines. Ms. Arriola obtained her Juris Doctor degree from the Ateneo de Manila University School of Law in 1996 and graduated with a Bachelor's Degree in Comparative Literature from the University of the Philippines Diliman in 1992.

Maria Theresa Dela Peña Marcial (Independent Director) seasoned banker and has 27 years of experience in banking and finance. She has been a director of the Corporation since 16 November 2022 to date. Ms. Marcial is President & CEO of BPI Asset Management & Trust Corporation, providing a wide range of investment, trust and wealth management solutions to corporate, institutional, high net worth, mass affluent and retail client segments. Ms. Marcial has held senior leadership positions in BPI. From April 2017 to May 2022, Ms. Marcial served as BPI's Chief Finance Officer, responsible for driving the bank's strategic planning and budget process, performance management, capital structure and sustainability agenda, and was concurrent Chief Sustainability Officer of the bank. She is currently

a Board Director of BPI Europe Plc. Prior to her banking career, Ms. Marcial worked at the Agricultural Policy Credit Council and the National Economic and Development Authority. In 2014, Ms. Marcial was recognized as one of the Top 25 Most Influential Women in Asset Management in Asia by Asian Investor, Most Outstanding Alumnus of the University of the Philippines Los Baños in 2006, and received the CEM Centennial Outstanding Alumni Award from the University of the Philippines Los Baños in 2019. Ms. Marcial is an advocate of marine conservation and renewable energy. She is a Trustee and Treasurer of WWF Philippines, a member of WWF Asia Pacific Council, a Board Director of Philippines Inter-Island Sailing Federation and a fellow of the Foundation for Economic Freedom. She obtained the Royal Yachting Association Skipper Certification in Sydney, Australia in 2015. In 2018, she participated in the Rolex Middle Sea Race, a 606-nautical mile Category 2 offshore yacht race around Sicily organized by the Royal Malta Yacht Club. She obtained her master's degree in economics from the University of the Philippines Diliman in 1994 and graduated cum laude with a Bachelor's Degree in Economics from the University of the Philippines Los Baños in 1990. She completed the Advanced Management Program at Harvard Business School in 2010 and the CFA Institute Investment Management Workshop at the Harvard Business School in 2006.

Gregory L. Domingo (Independent Director) has been a director of the Corporation since 16 November 2022 to date. He served as Department of Trade and Industry (DTI) Secretary from July 2010 to December 2015 and previously was the DTI Industry and Investments Group Undersecretary and Board of Investments Managing Head from May 2001 to April 2004. Mr. Domingo is currently Senior Adviser to SM Investments Corporation and is a director of BDO Private Bank and a few other companies. He has served as director of Belle Corporation, Pico de Loro Beach & Country Club, Pampanga Sugar Development Company, Carmelray JTCI Corp, and Manila Electric Company. He has a distinguished banking career for over 15 years, with Chase Manhattan Bank (Manila), Chemical Bank (New York), and other financial institutions in Philadelphia, Pittsburgh, and New York including First Boston, Drexel Burnham Lambert, and Mellon Bank. He finished his Bachelor of Science in Management Engineering at the Ateneo de Manila University, graduated with distinction at the Asian Institute of Management (AIM) with his Masters in Business Administration, and completed his diploma for Master of Science in Operations Research at the Wharton School at the University of Pennsylvania. To better understand digitalization, in 2016 he took a 12-week data science bootcamp in New York.

Maria Victoria C. España (Independent Director) has been a Board Advisor of the Corporation since 1 July 2023 to date. She is a Certified Public Accountant, a Certified Management Accountant and a Certified GRI Professional. Her wide range of expertise covers the fields of accounting, audit and risk management, change management, corporate strategy and governance. Ms. España first joined Punongbayan & Araullo in 1997 and was admitted to the partnership in 1999. She was appointed COO in 2009 and became Chair and CEO in 2011 until her retirement from the accounting firm in June 2023. She has worked with the Department of Finance, Senate of the Philippines, and Atlantic, Gulf & the Pacific. She completed her Masters degree in Accountancy at the Polytechnic University of the Philippines and had attended various executive programs at the Asian Institute of Management, Wharton Business School of the University of Pennsylvania, and the Said School of Business at Oxford University. She was also former Governor of the Management Association of the Philippines and Grant Thornton International Ltd., Chair of Financial Executive Institute of the Philippines (FINEX) and National Director of the Philippine Institute of Certified Public Accountants (PICPA) for the Public

Practice. Aside from being an Independent Director of Alternergy, Marivic is also a member of the Board of Trustees of St. Paul University Philippines.

Ephyro Luis B. Amatong (Board Adviser) is a corporate and securities lawyer, sustainable finance advocate, and former regulator. From May 2014 to March 2022, Mr. Amatong was Supervising Commissioner of the Markets and Securities Regulation Department and the Economic Research and Training Department of the Philippine Securities and Exchange Commission (SEC). He was also the Philippine SEC's representative to the ASEAN Capital Markets Forum (ACMF), the high-level grouping of capital market regulators of the Association of Southeast Asian Nations (ASEAN). Mr. Amatong also participated in the development of the Roadmap for ASEAN Sustainable Capital Markets (2020); and was part of the ASEAN Sustainable Finance Taxonomy project, which resulted in the creation of the ASEAN Taxonomy Board and the issuance of Version 1 of the ASEAN Taxonomy for Sustainable Finance in 2021. As Supervising Commissioner of the Markets and Securities Regulation Department, he led the finalization of 2015 Implementing Rules and Regulations (IRR) of the Securities Regulation Code (SRC), the development of the SEC's Sustainability Reporting Guidelines for Publicly Listed Companies, the revision of the Implementing Rules and Regulations (IRR) for Real Estate Investment Trusts (REITs) and the development of the SEC's Crowdfunding Rules to improve access to financing for SMEs. Currently, he is a consultant for the World Bank Group, particularly the Sustainable Banking and Finance Network (SBFN). He is also Advisor to the Chair of the ACMF, and a consultant for the Government Securities Roadmap project of the Bureau of Treasury (BTr). He is also a Professorial Lecturer with the LL.M. Program of the University of the Philippines College of Law; a Trustee of the Andres Bonifacio College; an Independent Director of Asialink Finance Corporation, Global Dominion Finance Corporation and the South Asialink Finance Corporation.

Officers

The following are the Officers of the Company:

Name	Age	Position
Vicente S. Pérez, Jr.	66	Chairman of the Board
Gerry P. Magbanua	50	President
Knud Hedeager	64	President and CEO, Alternergy Wind Group
Michael James Lichtenfeld	45	President and CEO, Alternergy Solar Group
Eduardo Martinez Miranda	64	President and CEO, Alternergy Hydro Group
Janina C. Arriola	54	Vice President and General Counsel
Maria Carmen G. Diaz	50	Chief Financial Officer and Chief Sustainability Officer
Annette M. Rafael	54	Vice President for Government Affairs and Hydro
Luisito S. Pangilinan	50	Treasurer
Anna Melissa R. Lichaytoo	59	Corporate Secretary
Sherleen Lourds R. Macatangay	36	Assistant Corporate Secretary

Maria Carmen G. Diaz, an international commercial and development banker with 25 years of experience, was appointed CFO and Chief Sustainability Officer of Alternergy in June 2023. Ms. Diaz has vast hands-on experience in sustainable finance, risk management, development of sustainable finance banking products, risk assessment on Environment Social Governance ("ESG"), credit risk on debt and equity transactions, and investor relations. Ms Diaz started her banking career as a Trust

Credit Officer at Equitable PCI Bank. She then held various positions as Credit Risk Department Head at the French investment bank Calyon, as AVP for Corporate Banking at Mizuho, the Japanese commercial bank, and as Senior Risk Management Officer at ADB. Ms. Diaz's last position was with RCBC as Vice President and Sustainable Finance Officer under RCBC's Risk Management Group.

Annette Rafael is Alternergy's Vice President for Government Affairs and Vice President for Hydro. In these roles, she views herself as a springboard for technical considerations, regulatory matters and contractual work, providing the insight and resources needed to empower her teammates with the tools they need to address the issues at hand. A beacon for the highest ethical standards, Annette is dedicated to showcasing Alternergy's unwavering commitment to the highest ethical standards. Before joining Alternergy in 2014, Annette served in the Philippine Government for 17 years. She worked at the National Economic and Development Authority, and became a Director at the Department of National Defense and at the Department of Interior and Local Government. She was an Assistant Secretary of the Department of Environment and Natural Resources and Assistant Secretary of the Department of Energy. After her civil service career, Annette had eight years of extensive experience in the renewable energy industry with Constellation Energy and Sunwest, where she focused on government permitting and regulatory compliance issues. Annette earned a Master of Science degree in Geo Information Systems for urban applications from the International Institute for Geo Information Systems and Earth Observation of the University of Twente in the Netherlands, and a Bachelor of Science in Information Technology, cum laude, from the Polytechnic University of the Philippines.

Luisito S. Pangilinan is the Treasurer of Alternergy Holdings Corporation. He is responsible for managing company finances and maintaining budget accounts. He ensures Alternergy is in compliance with reporting requirements and on time when it comes to billing and payments. Louie is responsible for supervising and training Alternergy's administrative and accounting staff, as well as developing new systems and processes that increase efficiency and accuracy. Louie has nearly two decades of experience in the accounting field, spanning industries including property development, energy, tourism, and renewable energy. He has honed his accounting expertise at firms including Rockwell Land Corporation, Caltex Asia, and Ten Knots Development Group, the developer for El Nido Resorts. Louie received his Bachelor of Science in Accountancy from San Sebastian College ± Recoletos. A marathoner and triathlete, he trades counting receivables for counting kilometers in his pre-dawn runs across Manila.

Anna Melissa R. Lichaytoo is the Corporate Secretary of ALTER since 2021. She is the Founding Partner and Managing Partner of Roxas de los Reyes Laurel Rosario & Gonzales Law Offices, established in 1996. Ms. Rosario-Lichaytoo has been engaged for more than 30 years in the general practice of corporate law such as: corporate restructuring, securities registration, corporate governance, mergers and acquisitions, commercial and information technology contracts, proxy contests, and intra corporate disputes. She has acted as Counsel for various companies engaged in energy, information technology, manufacturing, real estate, insurance, pharmaceutical, banking and environment conservation. A member of the Philippine Bar Association, Integrated Bar of the Philippines, and Shareholders Association of the Philippines, Ms Rosario-Lichaytoo graduated with a Bachelor of Science, Major in Legal Management from Ateneo de Manila University and a Bachelor of Laws from Ateneo Law School.

Sherleen Lourds R. Macatangay is Assistant Corporate Secretary of ALTER since 2021. She is a Senior Associate of Roxas de los Reyes Laurel Rosario & Gonzales Law Offices, established in 1996. Ms. Macatangay has been engaged in the general practice of law specializing in corporate law and estate settlement. Her specific legal work is in areas such as establishment of corporations and corporate vehicles, acquisitions, corporate governance, contract negotiations, and corporate restructuring. Ms. Macatangay has acted as Counsel for various companies engaged in energy, banking, airline, insurance, food, tobacco, financing, real estate, environment conservation, stock transfer agency and holding companies, and as Corporate Secretary and Assistant Corporate Secretary of various companies. A member of the Philippine Bar Association, Ms. Macatangay graduated with a Bachelor of Science, Management, Major in Legal Management from Ateneo de Manila University and a Juris Doctor from Ateneo Law School.

Significant Employees

Reyma Rufo-Alolod, 38, Filipino, is the Senior Project Development Officer for Solar Pacific and has held the position since April 2018 to date. She leads Solar Pacific's project development efforts, bringing more than 10 years of power generation experience throughout the Philippines. Prior to joining Solar Pacific in 2018, Reyma formerly served at Alsons Power Group where she managed more than 900MW of coal-fired, modular diesel power plants and hydro power projects, including site acquisition, permitting and compliance. She has worked with all key regulatory agencies including DOE, ERC, NCIP, DENR, BOI, DAR, and others. Reyma holds a Juris Doctor from Mindanao State University and a Master of Environment and Natural Resources Management from University of the Philippines.

Marie Franchesca Amatong, 50, Filipino, is Alternergy's Treasury Officer responsible for corporate finance, debt management, treasury, and foreign exchange and has held the position since October 2008 to date. She works across the spectrum of the Corporation's treasury work, including loan structuring, pricing, and operations. At Alternergy, she enjoys bringing together her interest in banking and her desire to protect the environment through the building of innovative financial models. She also serves as the Executive Director for the Asian Conservation Foundation (ACF), an NGO committed to conserving biological diversity and developing sustainable communities. Prior to joining Alternergy in 2008, she was part of the management team that advised several foreign investment funds under the Next Century Partners group, a Philippine-based investment advisory firm co-founded by Vicente Pérez, Jr. and Eduardo Martinez-Miranda. In the early years of her career, she was a fixed income trader in both Peso and USD denominated debt securities, and later on, traded in the Japanese Government Bond futures market. She received a Bachelor of Science degree in Economics from the University of the Philippines.

Arman Lyle Ang, 36, Filipino, is Alternergy's Financial Controller and has held the position since July 2023 to date. His responsibilities include monitoring of implementation of budgets and plans and maintaining integrity of accounting records and reports provided to management for decision-making and to regulatory bodies for compliance. Arman is also in-charge of tax planning, internal controls, compliance with regulatory bodies, preserving and supervising cash resources, managing and training of the accounting team, and working with external auditors and advisors. Prior to joining Alternergy in July 2023, Arman was briefly Group Financial Comptroller for Roxas Holdings after a decade long career with SGV & Co., where he started off as an Associate in November 2010 and left as a Director in February 2022. He has extensive knowledge of accounting, auditing and regulatory requirements,

which he polished during his 11-year stint with SGV, where he served publicly-listed and private companies under various industries. He was also heavily involved in various administrative responsibilities within SGV, including training junior managers and associates. Arman earned his Bachelor of Science degree in Accountancy from University of the Philippines-Visayas at Iloilo City and is a Certified Public Accountant.

Beatriz Naomi Bathan, 26, Filipino, is Alternergy's Investor Relations Officer and is responsible for building long-standing and trusted relationships with stakeholders as she conveys Alternergy's growth strategy through investor briefings, non-deal roadshows, and shareholder meetings. She has held the position since July 2023 to date. Aside from responding to investor and analyst queries, Bea also assists with financial modelling and capital raising activities. Prior to joining Alternergy in July 2023, Bea was an Institutional Equities Trader with Daiwa Capital Markets and with CLSA Philippines. She earned her Bachelor's Degree in Business Management, with a minor in International Business from Ateneo de Manila University, where as an undergraduate, Bea was part of the United Nations Youth Assembly delegation to the UN Headquarters in New York where she learned practical skills on how to realize the vision of a sustainable world. Bea is currently pursuing the CFA program.

Charles S. Flores, 39, Filipino, is Alternergy's Transmission and Electrical Systems Manager and has held the position since March 2016 to date. In his role, Charles provides technical and administrative support relating to the grid interconnection, compliance and electrical systems design of Alternergy's renewable power projects. He is responsible for getting the maximum amount of electricity to the grid while ensuring that overloading does not occur. Safety is at the core of Charles' approach to his work, and he is determined to maintain the physical integrity of both the grid and Alternergy's assets. Before joining Alternergy in 2016, Charles was a Cadet Engineer with the National Transmission Corporation. Before that, he spent five years as an Electrical Maintenance Engineer at SunPower Manufacturing Philippines. Charles was an Electrical Quality Control Engineer of Saudi Integrated Group (2012-2014), and Electrical Quality Control of Meralco Industrial Engineering Services Corporation (2014-2016). He is a licensed Electrical Engineer and a licensed Master Electrician. Charles earned his Bachelor of Science degree in Electrical Engineering from the Don Mariano Marcos Memorial State University, La Union Campus.

Maria Martha V. Garay, 52, Filipino, is Alternergy's Human Resources Manager, where she leads recruitment, administration of payroll and benefits, policy creation and implementation, and training and development initiatives. She has held the position since January 2010 to date. In the eleven years Martha has been with Alternergy, the Corporation has grown from 10 to 60 employees, and Martha has been at the forefront of the talent identification and hiring processes associated with this growth. Martha is committed to making sure team members feel heard and valued, and her approach to her work embodies the openness and sincerity that define Alternergy's company culture. She believes that great candidates in the renewable power space are first and foremost resilient, ready to take on any challenge that comes their way. Before joining Alternergy in 2010, Martha honed her perspectives on people management as Human Resources Head with Nittan Capital Finance. Her career also includes executive secretary posts with Del Monte Fresh Produce and Security Bank. Martha has completed her Master's Degree in Strategic Human Resources at Miriam College, where she also earned her Bachelor's Degree in International Studies.

Servillano D. Haboc, 60, Filipino, is Alternergy's Project Director for the Dupinga Hydro Project in Gabaldon Nueva Ecija and has held the position since May 2023 to date. With three decades of experience in developing hydro projects, he is providing leadership and supervision for the successful execution of project performance and performing overall management of the Dupinga project. Prior to joining Alternergy in May 2023, he was Assistant Vice President of Stakeholder Relations and Compliance in Aboitiz Power Corporation from 2017 to 2022 where he was responsible for leading the team in the acquisition of various government permits, lands, right of ways needed for hydro and solar projects such as the 20MW Sablan Hydro, the 40MW Kibungan Hydro, the 94MW Bugallon Solar, and the 159MW Aguilar Solar. Previously he was Assistant Vice President for Project Development and Execution of Hedcor Group of Aboitiz Power, where he was responsible for developing potential hydro projects in the Mindanao area. He was Project Director for 68.9MW Manolo Fortich Hydro in Bukidnon, the 6.9MW Tudaya 1 Hydro and 7MW Tudaya2 Hydro both located in Davao del Sur, and the 42.5MW Sibulan Hydro project. Bill earned his Bachelor of Science degree in Civil Engineering in Saint Louis University. He enjoys playing musical instruments, bowling, basketball, and backyard gardening.

Oliver G. Labares, 53, Filipino, is Plant Manager of the 10 MWac Kirahon Solar plant in Brgy. San Martin, Villanueva, Misamis Oriental where he manages the plant's operation, maintenance, safety, and spare parts inventory. He has held the position since October 2019 to date. He is also responsible for compliance reporting to national and local government agencies and coordinating with stakeholders CEPALCO and MINERGY. Before joining Solar Pacific in 2019, Oliver was in project development of utility scale photovoltaic at PHINMA Energy (2017-2019) and in product development of solar, run-of river and biomass projects at MINERGY (2012-2016). Furthermore, he was in charge of operation & maintenance of the ever first 1-MWp PV plant in the Philippines in Indahag, Cagayan de Oro City from 2004 to 2012. Oliver graduated with dual BS degrees in Electrical Engineering and Electrical Technology (honors) from Mindanao Polytechnic State College and is a licensed Electrical Engineer and licensed Master Electrician.

Jose Manuel R. Lopa Jr., 38, Filipino, is External Relations and Engagement Manager for Alternergy and has held the position since October 2023 to date. He manages relationships with external stakeholders including government agencies, regulatory bodies, community groups, and industry associations. He coordinates with regulatory agencies for permitting and compliance of Alternergy's projects. Snap also facilitates needs assessments of host communities and liaises with the CSR team to allocate resources to address the identified needs. He engages with local stakeholders in the acquisition of land rights and for speedy resolutions of host community issues. Prior to joining Alternergy in October 2023, Snap was with ACEN (formerly AC Energy) from 2017 to September 2023, most recently as External Affairs Manager, was a member of ACEN's Legal and Regulatory team and previously a Marketing and Communications Officer. He earned a degree in BS Business Administration from the E.T. Yuchengco School of Business Management at Mapua University and was the graduating class president. He took his master's in business at the Ateneo Graduate School of Business. In 2021, he was part of the pioneer batch that finished the Circular Economy and Sustainability Strategies program of the Cambridge Judge Business School.

Reyfel Niño G. Maglines, 35, Filipino, is the Surveys and Mapping Manager at Alternergy and has held the position since August 2017 to date. In his role, he conducts land surveys and contributes technical support for Alternergy's projects. Working in close partnership with the legal team, Reyfel's work provides baseline information needed for land acquisition and site placement. By surveying

prospective areas for renewable projects around the country, Reyfel is inspired by the chance to help the Philippines mitigate the effects of climate change. Prior to joining Alternergy in 2017, Reyfel was a Geodetic Engineer for Certeza Infosys from 2011 to 2014, where part of his role involved mapping the Pililla Rizal wind farm. Reyfel is recognized for his pioneering efforts in the use of LiDAR technology, which offers unparalleled technical understanding of terrain and resources. His LiDAR technology skills were developed in his role as head of the Visayas State University team involved in the DOST Phil-LiDAR Program, which created a flood hazard map in the country - the first time LiDAR technology was used in the Philippines. Reyfel is a licensed Geodetic Engineer and holds a Bachelor of Science degree in Geodetic Engineering from Visayas State University (Main Campus). He has spoken on the topic of resource maps at the Asian Conference on Remote Sensing.

Jose Margo C. Mananquil, 44, Filipino, is Senior Transmission and Electric Systems Manager. At Alternergy, Margo has served multiple roles: Site Project Manager for Kiangnan Hydro, Plant Manager of Pililla Rizal wind farm, Electrical Systems Manager for the Pililla project, and was Transmission and Electrical Systems Engineer for various projects. He was briefly in Project Development and Operations for Alterpower Digos Solar and Fort Pilar Energy from 2022 to late 2023 before rejoining Alternergy. Prior to first joining Alternergy in 2010, Margo was Assistant Fields Operations Engineer with Dubai Electricity and Water Authority from 2008 to 2009. He was Substation Control Engineer, Operator and Safety Officer with the National Transmission Corporation from 2003 to 2008. Margo was a Maintenance Engineer with Aboitiz Power from 2002 to 2003. He is a licensed Electrical Engineer from University of Southeastern Philippines and an eMBA graduate of Asian Institute of Management.

Evangeline L. Moises, 49, Filipino, is Alternergy's Strategic Initiatives and Communications Manager and has held the position since April 2018 to date. She is responsible for guiding the permitting process across all government agencies, serving as a bridge between Alternergy's work and civil service institutions. Over the course of her career, she has developed significant rapport with people at all levels of government agencies. The relationships and knowledge she has acquired through this approach help smooth out and speed up the processes needed for Alternergy to reach its next milestones. Prior to her work with Alternergy in 2018, Vangie worked with Merritt Advisory Partners as Energy Specialist. Before that, she was based in Jakarta as part of the ASEAN Centre for Energy, serving in a regional cooperation role and as Assistant to the Executive Director. Vangie's first public sector-related role was with the Department of Energy, where she was Executive Assistant to the Energy Secretary, working to manage public affairs and media relations. Vangie's career started in journalism. She served as a reporter at Baguio City's Community News Cable and Newspaper, and as Energy Beat Reporter in the Manila-based BusinessWorld publication, when she first met then Energy Secretary Vicente Pérez in 2001. Vangie graduated with a degree in Journalism from University of the Philippines Baguio.

Kimberly Rose L. Pagdilao, 39, Filipino, is Corporate Legal Counsel, where she is mainly responsible for contract review, legal research, and local stakeholder engagement. She has held the position since November 2017 to date. Her work thrives on having a 'pulse on the people', including her colleagues, the community members she works with, and government representatives. She strives to find points of connection when working through legal issues, creating outcomes that benefit everyone involved. Prior to joining Alternergy in 2017, Kim worked for five years in the power industry. She spent two years at KEPCO Philippines as a Business Development Lawyer handling both renewable and conventional power projects. She started out as a paralegal for SN-Aboitiz Power, working on hydro

power projects for three years. Kim graduated with magna cum laude honors from the University of the Philippines-Diliman with a Bachelor of Arts degree in Philosophy. Subsequently, Kim earned a Juris Doctor degree also from the University of the Philippines-Diliman.

William Z. Refina, 55, Filipino, is a Senior Project Manager for Alternergy's wind and hydro projects, where he serves as a bridge between local governments, landowners, and project contractors. He has held the position since January 2013 to date. Butch cites his strong community relationships as key to Alternergy's ability to bring wind farms to life within budget and on schedule. In his role, he takes care to understand the needs of the communities he works with, and makes sure projects truly benefit the people they are intended to serve. Prior to joining Alternergy in 2013, Butch served as Assistant Manager for Mechanical Design for JEC Philippines for the Libingan ng mga Bayani water treatment project of Manila Water Company. Before that, he was Assistant Building Administrator for one of the properties of San Miguel Corporation in Pasig City. For a seven-year period, Butch worked in the Philippines and across global locations as Project Engineer for Angelo Cremona Asia. Butch is a licensed Mechanical Engineer and holds a Bachelor of Science degree in Mechanical Engineering from the University of Santo Tomas.

Alexander R. Santella, 47, Filipino, is Director of Technical Operations for Solar Pacific and has held the position since July 2018 to date. He manages all technical aspects of solar systems design, engineering, and installation together with his team. Additionally, he leads equipment selection, EPC contracting, and construction management of all solar projects. Alex led the technical design for the Palau solar and battery energy storage Project. Prior to joining Solar Pacific in 2018, Engr. Santella has had extensive experience in engineering and major construction works internationally, including in the Middle East and APAC. Engr. Santella has personally managed the design and construction of more than 100MWp of solar and wind projects in the Philippines. He is also a Professional Electrical Engineer.

Julius Sturm, 65, Danish, is Technical Consultant for Hydropower Development and has held the position since November 2016 to date. Prior to joining Alternergy since 2013, he was the Managing Director (Southeast Asia) for Aarslef (Thailand) Ltd., a subsidiary of Per Aarseleff A/S in Denmark. Thereafter, he became the Sector Manager for Pacific Consultants International Asia, Inc. where he promoted the company's services in the water and power industry through donor organizations such as the World Bank, Asian Development Bank and the Department of International Development. He now holds a position as Chief Operating Officer in PacificTech Solutions which provides specialized services within a variety of architectural and engineering fields to clients mainly outside of the Philippines through a combination of international and Filipino staff input. Julius has over 15 years of experience in providing consultancy services in power, water, wastewater and industrial sector projects. With extensive business management and technical skills, he oversees projects in the design, implementation and operation stages as completed in several countries. His most recent projects, being the owner's representative in hydropower development, include the Operation and Maintenance of the 1.8MW Commonal-Uddiawan Mini Hydropower in Nueva Vizcaya, Philippines.

Neil Richard P. Tanguilig, 38, Filipino, is Senior Project Manager for Alternergy's wind projects, where he manages wind resource assessment campaigns and assesses the technical feasibility of proposed project locations. He has held the position since July 2012 to date. Within his role, Neil manages the construction of meteorological towers, collects and manages data, and works with geodetic engineers

to map out project site requirements. Neil had the opportunity to apply his skills to the end-to-end process of bringing the landmark Pililla Rizal wind project to commercial operations. Prior to joining Alternergy in 2012, Neil was a Graduate Structural Engineer at Hyder Consulting Middle East. He earned a Master of Science degree in Energy Engineering and a Bachelor of Science degree in Civil Engineering from the University of the Philippines-Diliman. Neil is a licensed Civil Engineer. Neil has published a technical paper on small wind energy systems in the Journal of Pure and Applied Sciences.

Family Relationships

Except for spouses Atty. Ephyro Luis B. Amatong, the Corporation's Board Advisor, and Ms. Marie Franchesca Amatong, the Corporation's Investor Relations and Treasury Officer, there are no known family relationships between the current members of the Board, Officers, and Significant Employees.

Involvement in Certain Legal Proceedings

To the knowledge and/or information of the Company, none of its present members of the Board, Officers, or its Significant Officers have been involved in any of the events below for the past five years:

- a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- b) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his/her involvement in any type of business, securities, commodities or banking activities; and
- d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

Item 10. Executive Compensation

For the years ended June 30, 2024 and 2023, and for the six-month period ended June 30, 2022, the total salaries, bonuses and allowances paid to the Executives of the Company are as follows:

	Year	Salary*	Bonus	Others
Top five (5) Executives with highest compensation: Gerry P. Magbanua Knud Hedeager Michael Lichtenfeld Eduardo Martinez Miranda Janina C. Arriola	2024	₱33,339,800	₱2,925,000	₱-
	2023	₱27,612,000	₱-	₱-
	2022	₱12,723,875	₱-	₱-
All officers and directors as a group	2024	₱46,164,500	₱4,288,000	₱-
	2023	₱35,050,100	₱-	₱-
	2022	₱16,213,425	₱-	₱-

*Note: Salary includes compensation and transportation and communication allowances.

The Executives of the Company, who are engaged under NAPI, are seconded to the Company and its subsidiaries and affiliates to perform management, project development, technical, administrative and finance functions.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no compensatory plan or arrangements between the Company and its Executives in case of resignation or any other termination of employment or from a change in the management or control of the Company.

Compensation of Directors

Under the By-Laws of the Company, each director and board advisor shall receive a per diem allowance for their attendance at each meeting of the Board. Currently, as compensation, each of the independent directors and board advisor are receiving ₱50,000.00 and ₱40,000.00, respectively, per diem per meeting, and each other director, including the Chairman, are not entitled to any per diem allowance.

There are no other arrangements for compensation by way of payments for committee participation or special assignments. There are also no outstanding warrants or options held by the Directors, Executives and Significant Officers. There are no special employment contracts between the Company and its Executives.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners (more than 5% of the voting shares)

Presented in the table below are the persons or groups known to the Company to be directly the record or beneficial owners of more than five percent (5%) of the Company's voting securities as of June 30, 2024:

Title of Class of Shares	Name and Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage Held
Common and Preferred	1. Vespers Holdings Corporation Level 3B, 111 Paseo de Roxas Bldg., Paseo de Roxas cor. Legazpi St., Legaspi Village, Makati Stockholder, Parent Company	Vicente S. Pérez, Jr. – Chairman of the Board	Filipino	1,700,386,358 Common Shares 370,398,637 Perpetual Preferred Shares 1	43.22% of Common Shares 100% of Perpetual Preferred Shares 1
Common	2. Odin Holdings Corporation 12F Laguna Tower, The Residences at Greenbelt Stockholder	Knud Hedeager – Director	Danish	366,812,295 Common shares	9.32% of Common Shares
Common	3. Penhurst Kinetic Corp Unit 3D, Penhurst Parkplace, 1st Avenue cor. 30th Avenue, Fort Bonifacio, Taguig City NCR Fourth District Philippines Stockholder	Gerry P. Magbanua – Director and President	Filipino	258,319,690 Common Shares	6.57% of Common Shares
Common	4. PCD Nominee Corporation ^{1,2} 29 th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City	PCD participants acting on their behalf or for their customers	Filipino	1,179,135,075 Common Shares	29.97% of Common Shares

¹ Note: Under the PCD Nominee Account, the following company owned more than 5%:

Unicapital Securities Inc. – 510,996,244 shares – 12.99%

² Note: PCD is the registered owner of shares held by participants in the Philippine Depository and Trust Co., which handles automated securities transactions in the Philippines. PCD is not related to the Company.

Security Ownership of Directors and Executives

Presented in the table below are the security ownership of Directors and Officers as of June 30, 2024:

Title of Class of Shares	Name	Amount and Nature of Beneficial Ownership		Citizenship	Percentage Held
Common	Vicente S. Pérez, Jr. – Chairman of the Board	Direct	20	Filipino	44.48% of Common Shares
		Indirect	1,749,942,691		
Perpetual Preferred Shares 1	Vicente S. Pérez, Jr. – Chairman of the Board	Direct	0	Filipino	100% of Perpetual Preferred Shares 1
		Indirect	370,398,637		
Common	Knud Hedeager – Director; President and CEO, Alternergy Wind	Direct	10	Danish	9.10% of Common Shares
		Indirect	358,008,790		
Common	Gerry P. Magbanua – Director; President	Direct	10	Filipino	6.57% of Common Shares
		Indirect	258,319,680		
Common	Eduardo Martine Miranda – Director; President and CEO, Alternergy Hydro	Direct	10	Filipino	3.30% of Common Shares
		Indirect	129,663,871		
Common	Michael James Lichtenfeld – Director; President and CEO, Alternergy Solar	Direct	48,119,129	American	1.22% of Common Shares
		Indirect	0		
Common	Janina C. Arriola – Director; VP and General Counsel	Direct	1,000,000	Filipino	0.03% of Common Shares
		Indirect	0		
Common	Maria Victoria C. España – Independent Director	Direct	11,000	Filipino	0.00% of Common Shares
		Indirect	0		
Common	Maria Theresa Dela Peña Marcial – Independent Director	Direct	1	Filipino	0.00% of Common Shares
		Indirect	0		
Common	Gregory L. Domingo – Independent Director	Direct	1	Filipino	0.00% of Common Shares
		Indirect	0		
Common	Maria Carmen G. Diaz – CFO and CSO	Direct	107,000	Filipino	0.00% of Common Shares
		Indirect	0		
Common	Luisito S. Pangilinan - Treasurer	Direct	10,000	Filipino	0.00% of Common Shares
		Indirect	0		

As of June 30, 2024, the Company's Directors and Executives owned an aggregate of 2,545,182,213 common shares of the Company, which is equivalent to 64.70% of the Company's outstanding common shares.

Voting Trust

The Company is not aware of any person or company holding five percent (5%) or more of the Company's outstanding shares under a voting trust agreement or similar arrangement.

Changes in Control

There have been no arrangements that may result in a change in control of the Parent Company.

Item 12. Certain Relationships and Related Transactions

The Company, 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 Parent Company by virtue of common ownership and representation to management where significant influence is apparent.

Except as indicated, otherwise, the outstanding accounts with related parties shall generally be settled in cash. The transactions are made at terms agreed upon by the parties.

Related party balances and transactions as at June 30, 2024 and 2023, and for the years ended June 30, 2024 and 2023 are summarized below (refer to Exhibit C for the full disclosure in the Audited Consolidated Financial Statements):

	Transactions During the Year/Period		Outstanding Balances as of	
	2024	2023	2024	2023
<i>Due from Related Parties</i>				
Cash advances	₱131,227,918	₱4,239,065	₱167,895,193	₱36,600,960
Development costs	378,996,217	-	378,996,217	64,717,774
Assignment of receivables	-	-	28,269,080	28,269,080
Others	-	-	-	600
<i>Due to Related Parties</i>				
Cash advances	₱9,600,000	₱88,489	₱9,688,489	₱2,541,406
Management and advisory services	1,220,745	-	1,220,745	-
Others	-	707,636	707,636	707,636



Renewable power pioneer

PART IV. CORPORATE GOVERNANCE

Item 13. Corporate Governance

Please refer to the Company's official website (www.alternenergy.com/corporate-governance) for the full details on the Company's Manual on Corporate Governance and other relevant policies.

The Company and its Directors, Executives and employees strive to comply with the best practices and principles of good corporate governance. The Board is primarily responsible for the governance of the Company, including setting the policies for the accomplishment of corporate objectives and doing an independent check on the Executives and Management.

Item 14. Sustainability Report

More details and information about the Company's Sustainability Report and efforts is available at (<https://www.alternenergy.com/sustainability>). The 2024 Sustainability Report may also be viewed as Exhibit C to this report.

PART IV. EXHIBIT AND SCHEDULES

EXHIBIT A. Reports on SEC Form 17-C

Date	Particulars
5-Apr-23	Certifications of Good Standing issued by the Department of Energy in respect of ALTER's SOLAR projects
5-Jan-24	Change in shareholdings of ALTER's Chairman
5-Jan-24	Change in shareholdings of ALTER's President
8-Jan-24	Change in shareholdings of ALTER's Chairman
9-Jan-24	Change in shareholdings of ALTER's President
17-Jan-24	ALTER BOD approves the listing of its Perpetual Preferred Shares 1 and 2 - Series A
17-Jan-24	Material Information/Transactions
22-Jan-24	Change in shareholdings of ALTER's President
31-Jan-24	Disbursements of Proceeds and Progress Report
1-Feb-24	ALTER subsidiaries AWPC and ATWC enters into agreements with Envision Energy International Trading Limited
16-Feb-24	ALTER subsidiary ATWC signs a MOA with the Tanay LGU
19-Feb-24	Change in shareholdings of ALTER's President
27-Feb-24	Change in shareholdings of ALTER's President
6-Mar-24	Disposition by ALTER of its shares in ATWC in favor of PACO
11-Mar-24	Change in shareholdings of ALTER's President
18-Mar-24	ALTER Alabat Wind Power Corporation ("AWPC") and Alternergy Tanay Wind Corporation ("ATWC"), enter into Balance of Plant ("BOP") Contracts for respective wind projects
19-Mar-24	ALTER subsidiaries AWPC and ATWC secure Certificates of Confirmation of Commerciality from the DOE for the Alabat and Tanay Wind Power Projects
20-Mar-24	Certificate of Filing of Enabling Resolution in respect of the subscription of GSIS
21-Mar-24	PSE approves the listing of preferred shares of ALTER subscribed by GSIS
25-Mar-24	BOD of ALTER approves to re-allocate the IPO Proceeds to the Tanay Onshore Wind and Alabat Onshore Wind Projects
1-Apr-24	Signing of Interconnection Agreement between NGCP and ALTER wholly-owned subsidiary, AWPC
1-Apr-24	Certifications of Good Standing issued by the Department of Energy in respect of ALTER's SOLAR projects
1-Apr-24	Certifications of Good Standing issued by the Department of Energy in respect of ALTER's HYDRO projects
1-Apr-24	Certifications of Good Standing issued by the Department of Energy in respect of ALTER's WIND Projects
3-Apr-24	Change in shareholdings of ALTER's President
15-Apr-24	Signing of Interconnection Agreement between NGCP and ALTER subsidiary, ATWC
15-Apr-24	ALTER subsidiary, Pililla AVPC Corporation renamed Alternergy Wind Holdings Corporation
16-Apr-24	Quarterly Report for the period ending March 31, 2024 on Alternergy Holdings Corporation's ("ALTER") Use of Proceeds
22-Apr-24	Change in shareholdings of ALTER's President
2-May-24	Investor Briefing 3Q 2024/9M 2024 Results
8-May-24	Approved matters in the regular meeting of the Board of Directors of ALTER held on 07 May 2024
9-May-24	Groundbreaking Ceremony of Alabat Wind Power Project

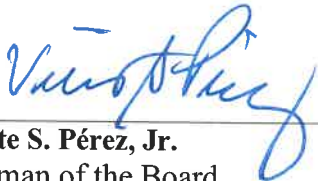
10-May-24	Change in shareholdings of ALTER's President
10-May-24	[Amend-1] Change in shareholdings of ALTER's President
10-May-24	Change in shareholdings of ALTER's President
28-May-24	Approval of Project Finance Loan by ALTER indirect wholly-owned subsidiary, ATWC, and Approval by the SEC of the equity restructuring of AWHC
30-May-24	Update on Corporate Actions/Material Transactions/Agreements
3-Jun-24	Alternergy raised PhP 20 Billion in 15 months to fund new projects
5-Jun-24	Groundbreaking Ceremony of Tanay Wind Power Project
13-Jun-24	ALTER buys shares of Olympia Solar Power Corporation
13-Jun-24	Alabat Project of ALTER indirect subsidiary secures project financing

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on _____, 2024.

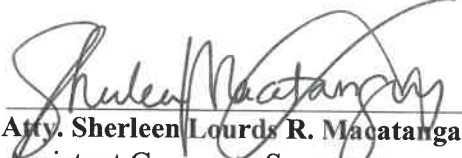
ALTERNERGY HOLDINGS CORPORATION

By:


Vicente S. Pérez, Jr.
 Chairman of the Board


Gerry P. Magbanua
 President


Maria Carmen DG. Diaz
 Chief Financial Officer


Atty. Sherleen Lourds R. Macatangay
 Assistant Corporate Secretary

SEP 25 2024

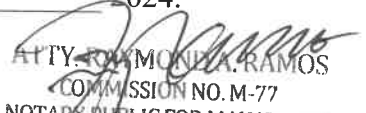
SUBSCRIBED AND SWORN to before me this ____ day of _____ 2024, affiants exhibiting to me competent proofs of their identity, to wit:

Name	TIN/Passport No.	Date and Place Issued
Vicente S. Pérez, Jr.	Philippine Passport No. P4390051B	January 15, 2020 / DFA Manila
Gerry P. Magbanua	Philippine Passport No. P4909380B	February 21, 2020 / DFA Manila
Carmen DG. Diaz	Philippine Passport No. P7922187B	October 19, 2021 / DFA Manila
Sherleen Lourds R. Macatangay	Philippine Passport No. P1480110B	April 16, 2019 / DFA Manila

and who are personally known to me to be the same persons who presented the foregoing instrument in my presence, and who took an oath before me as to such instrument.

WITNESS MY HAND AND SEAL this ____ day of **SEP 25 2024** 2024.

Doc No. 258
 Page No. 53
 Book No. 340
 Series of 2024.


ATTY. RAMONITA RAMOS
 COMMISSION NO. M-77
 NOTARY PUBLIC FOR MAKATI CITY
 UNTIL DECEMBER 31, 2024
 2364 ANGONO STREET
 BARANGAY POBLACION 1210, MAKATI CITY
 SC Roll No. 62179/04-26-2013
 IBP NO. 374750/12-26-2023/Pasig City
 PTR NO. MKT 10074525/01-02-2024/Makati City
 MCLB Compliance No. VII-0020180/04-14-2024

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

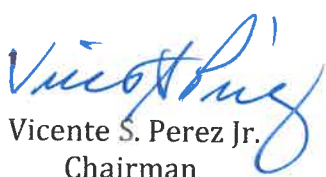
The management of **Alternergy Holdings Corporation** (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of June 30, 2024 and 2023, and for the fiscal years ended June 30, 2024 and 2023 and for the six-month period ended June 30, 2022 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

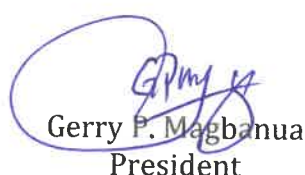
The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

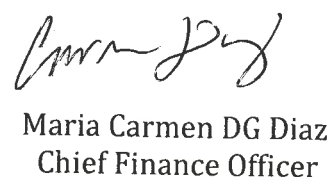
Sycip, Gorres, Velayo and Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.



Vicente S. Perez Jr.
Chairman



Gerry P. Magbanua
President



Maria Carmen DG Diaz
Chief Finance Officer

Signed this _____ day of SEP 25 2024 2024

ACKNOWLEDGMENT

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

SEP 25 2024

Before me a Notary Public for and in CITY OF MAKATI this day of _____ personally appeared the following:

NAME	Passport No.	Date / Place of Issue
Vicente S. Perez Jr.	P3490051B	January 15, 2020/DFA Manila
Gerry P. Magbanua	P4909380B	February 21, 2020/DFA Manila
Maria Carmen DG Diaz	P7922187B	October 19, 2021/DFA Manila

Doc. No. 257
Page No. 53
Book No. 360
Series of 2024


ATTY. RAYMOND A. RAMOS
COMMISSION NO. M-77
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2024
2364 ANGONO STREET
BARANGAY POBLACION 1210, MAKATI CITY
SC Roll No. 62179/04-26-2013
IBP NO. 374750/12-26-2023/Pasig City
PTR NO. MKT 10074525/01-02-2024/Makati City
MGT. AUTHORITY NO. 111-000000/04-14-2025

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

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

A	A	F	S

Department requiring the report

C	R	M	D

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	6/30

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.



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Alternergy Holdings Corporation
Level 3B, 111 Paseo de Roxas Building
Paseo de Roxas corner Legazpi Street
Legaspi Village, Makati City

Opinion

We have audited the consolidated financial statements of Alternergy Holdings Corporation and its subsidiaries (collectively, the Group), which comprise the consolidated statements of financial position as at June 30, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended June 30, 2024 and 2023, and six-month period ended June 30, 2022 and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years ended June 30, 2024 and 2023, and six-month period ended June 30, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Impairment Testing of Goodwill and Intangible Assets Not Yet Available for Use

Under Philippine Accounting Standards (PAS) 36, *Impairment of Assets*, the Group is required to annually perform impairment assessment of goodwill and intangible assets that are not yet available for use. As at June 30, 2024, the Group has goodwill amounting to ₱238.42 million arising from its various acquisitions in prior years and has intangible assets not yet available for use amounting to ₱230.83 million, which pertains to its capitalized project development costs. The goodwill and intangible assets, which relate to the subsidiaries acquired and the subsidiaries that own the renewable energy projects, and the related impairment testing are considered material to the consolidated financial statements because the total amount of goodwill and project development costs represent 5.37% of the consolidated total assets. In addition, management's impairment assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically, the long-term growth rates, revenue, costs and expenses assumptions used to estimate the future cash flows and the discount rates used applied to the forecasted cash flows.

The disclosures relating to the impairment testing of goodwill and project development costs are included in Note 12 to the consolidated financial statements.

Audit Response

We obtained an understanding of the management's process for evaluating the impairment of goodwill and project development costs. We involved our internal specialist in evaluating the significant assumptions and methodology used. These significant assumptions include budgeted revenue, costs and expenses, long-term growth rates and discount rates. We compared the forecasted cash flow assumptions used in the recoverability testing against the historical performance and market data, as applicable. We also compared against historical information and market data, as applicable, the estimated volume and price of electricity to be sold to contracted customers and to the spot market. In addition, we compared the long-term growth rates used with those reflected in published economic forecasts, as well as relevant industry outlook. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those significant assumptions to which the outcome of the recoverability test is most sensitive, specifically, those that have the most significant effect on the determination of the recoverable amount of goodwill and project development costs.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended June 30, 2024, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended June 30, 2024 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is
Leovina Mae V. Chu.

SYCIP GORRES VELAYO & CO.



Leovina Mae V. Chu

Partner

CPA Certificate No. 99910

Tax Identification No. 209-316-911

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-096-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079918, January 5, 2024, Makati City

September 25, 2024



ALTERENERGY HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 7)	₱2,559,074,243	₱1,238,986,852
Trade and other receivables (Note 8)	145,554,089	82,975,571
Restricted cash and placements (Note 7)	418,350,485	61,869,646
Due from related parties (Note 20)	575,160,491	129,588,414
Prepayments and other current assets (Note 9)	18,037,837	55,563,994
Total Current Assets	3,716,177,145	1,568,984,477
Noncurrent Assets		
Property, plant and equipment (Note 10)	1,739,749,071	1,021,115,316
Intangible assets (Notes 12, 13 and 34)	2,057,554,451	854,678,971
Contract asset (Note 34)	–	1,165,145,627
Investments in and advances to associates and joint ventures (Note 11)	120,711,869	182,263,093
Right-of-use assets (Note 26)	347,967,212	51,338,446
Other noncurrent assets (Note 15)	762,605,131	30,712,866
Total Noncurrent Assets	5,028,587,734	3,305,254,319
TOTAL ASSETS	₱8,744,764,879	₱4,874,238,796
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loan (Note 17)	₱248,780,784	₱249,172,856
Current portions of:		
Long-term debt (Note 18)	118,602,987	82,566,864
Lease liabilities (Note 26)	28,082,850	3,428,463
Accounts payable and accrued expenses (Note 16)	105,170,263	73,163,810
Advances from a third party (Note 16)	214,000,000	214,000,000
Dividend payable (Note 14)	6,250,000	3,750,000
Due to related parties (Note 20)	9,688,488	3,249,042
Income tax payable	14,840,472	5,415,453
Total Current Liabilities	745,415,844	634,746,488
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 18)	3,352,360,239	1,438,732,743
Lease liabilities - net of current portion (Note 26)	322,279,131	46,935,956
Deferred tax liabilities - net (Note 27)	21,600,738	23,732,208
Asset retirement obligation	5,403,349	5,101,699
Retirement benefit obligation	1,080,874	815,171
Total Noncurrent Liabilities	3,702,724,331	1,515,317,777
Total Liabilities	4,448,140,175	2,150,064,265

(Forward)



	June 30	
	2024	2023
Equity		
Capital stock (Note 19)	₱440,423,912	₱430,423,912
Additional paid-in capital (Note 19)	3,035,119,971	1,643,742,189
Share in remeasurement loss on retirement benefit obligation of an associate (Note 11)	(15,557)	(15,557)
Cumulative translation adjustment (Note 2)	8,596,053	4,110,513
Equity reserve (Note 14)	3,435,427	3,435,427
Retained earnings (Deficit)	67,183,056	(568,660)
Equity Attributable to Equity Holders of the Parent Company	3,554,742,862	2,081,127,824
Non-controlling Interests	741,881,842	643,046,707
Total Equity	4,296,624,704	2,724,174,531
TOTAL LIABILITIES AND EQUITY	₱8,744,764,879	₱4,874,238,796

See accompanying Notes to Consolidated Financial Statements.



ALTERENERGY HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended June 30, 2024	Year Ended June 30, 2023	Six-Month Period Ended June 30, 2022 (As restated, Note 13)
REVENUE FROM SALE OF ELECTRICITY (Notes 21 and 34)	₱274,903,345	₱171,484,044	₱9,330,967
COST OF SALE OF ELECTRICITY (Note 22)	101,458,303	60,064,752	3,373,619
GROSS PROFIT	173,445,042	111,419,292	5,957,348
EQUITY IN NET EARNINGS OF ASSOCIATES (Note 11)	5,290,459	21,938,643	16,435,855
GENERAL AND ADMINISTRATIVE EXPENSES (Note 23)	119,529,529	52,534,709	53,238,196
OTHER INCOME (CHARGES)			
Construction revenue (Note 34)	204,672,932	782,674,637	574,883,490
Construction costs (Note 34)	(204,672,932)	(782,674,637)	(574,883,490)
Finance costs (Notes 17 and 18)	(83,985,237)	(88,019,114)	(11,684,885)
Project costs recovery (Note 25)	103,942,684	40,927,384	36,586,861
Interest income (Notes 7 and 9)	53,636,807	8,594,377	442,174
Net foreign exchange gains	11,096,783	1,844,586	9,098,059
Advisory fees (Note 20)	3,240,000	3,090,000	3,416,667
Day 1 gain on short-term loan	–	–	1,599,627
Restructuring related charges - net (Note 24)	–	229,400	(159,752,032)
	87,931,037	(33,333,367)	(120,293,529)
INCOME (LOSS) BEFORE INCOME TAX	147,137,009	47,489,859	(151,138,522)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 27)	17,572,183	9,468,683	(5,961,067)
NET INCOME (LOSS)	129,564,826	38,021,176	(145,177,455)
OTHER COMPREHENSIVE INCOME <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Cumulative translation adjustment (Note 2)	25,486,025	3,438,053	19,992,187
TOTAL COMPREHENSIVE INCOME (LOSS)	₱155,050,851	₱41,459,229	(₱125,185,268)
NET INCOME (LOSS) ATTRIBUTABLE TO:			
Equity holders of the Parent Company	₱25,480,176	(₱18,679,294)	(₱144,283,353)
Non-controlling interests	104,084,650	56,700,470	(894,102)
	₱129,564,826	₱38,021,176	(₱145,177,455)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:			
Equity holders of the Parent Company	₱29,965,716	(₱17,875,826)	(₱140,965,053)
Non-controlling interests	125,085,135	59,335,055	15,779,785
	₱155,050,851	₱41,459,229	(₱125,185,268)
Basic/Diluted Earnings (Loss) per Share (Note 28)	₱0.01	(₱0.01)	(₱695)

See accompanying Notes to Consolidated Financial Statements.



ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023 AND FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

	Capital Stock		Additional	Deposit for	Share in Re-measurement Loss on Retirement Benefit Obligation of an Associate	Cumulative Translation Adjustment	Equity Reserve	Deficit	Equity Attributable to Equity Holders of the Parent Company	Non-controlling Interests	Total
	Preferred	Common	Paid-in Capital	Future Stock Subscription							
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	-	-	-	-	-	4,485,540	-	25,480,176	29,965,716	125,085,135	155,050,851
Issuance of new shares (Note 19)	10,000,000	-	1,440,000,000	-	-	-	-	-	1,450,000,000	-	1,450,000,000
Share-issuance costs (Note 19)	-	-	(6,350,678)	-	-	-	-	-	(6,350,678)	-	(6,350,678)
Quasi-reorganization (Note 19)	-	-	(42,271,540)	-	-	-	-	42,271,540	-	-	-
Dividend to non-controlling interests (Note 14)	-	-	-	-	-	-	-	-	-	(26,250,000)	(26,250,000)
At June 30, 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
At July 1, 2022, as previously reported	₱15,000	₱21,349	₱440,865,245	₱297,879,779	(₱15,557)	₱3,307,045	₱13,018,406	(₱240,277,656)	₱514,813,611	₱463,461,426	₱978,275,037
Adjustments (Note 13)	-	-	-	-	-	-	-	13,068,229	13,068,229	153,376,478	166,444,707
At July 1, 2022, as restated	15,000	21,349	440,865,245	297,879,779	(15,557)	3,307,045	13,018,406	(227,209,427)	527,881,840	616,837,904	1,144,719,744
Total comprehensive income (loss)	-	-	-	-	-	803,468	-	(18,679,294)	(17,875,826)	59,335,055	41,459,229
Issuance of new shares (Note 19)	37,024,864	393,362,699	1,521,086,681	(297,172,143)	-	-	-	-	1,654,302,101	-	1,654,302,101
Share-issuance costs (Note 19)	-	-	(72,889,676)	-	-	-	-	-	(72,889,676)	-	(72,889,676)
Quasi-reorganization (Note 19)	-	-	(245,320,061)	-	-	-	-	245,320,061	-	-	-
Dividend to non-controlling interests (Note 14)	-	-	-	-	-	-	-	-	-	(8,750,000)	(8,750,000)
Return of deposit for future stock subscription	-	-	-	(707,636)	-	-	-	-	(707,636)	-	(707,636)
Changes in non-controlling interests (Note 14)	-	-	-	-	-	-	(9,582,979)	-	(9,582,979)	(24,376,252)	(33,959,231)
At June 30, 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



	Capital Stock		Additional Paid-in Capital	Deposit for Future Stock Subscription	Share in Re- measurement Loss on Retirement Benefit Obligation of an Associate	Cumulative Translation Adjustment	Equity Reserve	Deficit	Equity Attributable to Equity Holders of the Parent Company	Non- controlling Interests	Total
	Preferred	Common									
At January 1, 2022	P15,000	P19,203	P440,865,245	P-	(P15,557)	(P11,255)	P-	(P82,926,074)	P357,946,562	P51,219,504	P409,166,066
Total comprehensive income (loss), as previously reported	-	-	-	-	-	3,318,300	-	(157,351,582)	(154,033,282)	15,918,124	(138,115,158)
Adjustments (Note 13)	-	-	-	-	-	-	-	13,068,229	13,068,229	(138,339)	12,929,890
Total comprehensive income (loss), as restated	-	-	-	-	-	3,318,300	-	(144,283,353)	(140,965,053)	15,779,785	(125,185,268)
Issuance of new shares (Note 19)	-	2,146	-	-	-	-	-	-	2,146	-	2,146
Deposit for future stock subscription (Note 20)	-	-	-	297,879,779	-	-	-	-	297,879,779	-	297,879,779
Change in non-controlling interests: Issuance of new shares of a subsidiary (Note 14)	-	-	-	-	-	-	13,018,406	-	13,018,406	286,667,594	299,686,000
Step acquisition to a subsidiary, as previously report (Notes 11 and 13)	-	-	-	-	-	-	-	-	-	106,590,649	106,590,649
Adjustments (Note 11)	-	-	-	-	-	-	-	-	-	153,514,817	153,514,817
Step acquisition to a subsidiary, as restated	-	-	-	-	-	-	-	-	-	260,105,466	260,105,466
Disposal of subsidiaries (Note 13)	-	-	-	-	-	-	-	-	-	3,065,555	3,065,555
At June 30, 2022	P15,000	P21,349	P440,865,245	P297,879,779	(P15,557)	P3,307,045	P13,018,406	(P227,209,427)	P527,881,840	P616,837,904	P1,144,719,744

See accompanying Notes to Consolidated Financial Statements.



ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

			Six-Month Period Ended June 30, 2022 (As restated, Note 13)
	Year Ended June 30, 2024	Year Ended June 30, 2023	
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	₱147,137,009	₱47,489,859	(₱151,138,522)
Adjustments for:			
Depreciation and amortization (Notes 10, 21 and 24)	89,305,322	44,367,279	3,030,875
Finance costs (Notes 17, 18, 24 and 25)	83,985,237	88,019,114	11,684,885
Interest income (Notes 7 and 9)	(53,636,807)	(8,594,377)	(442,174)
Provision for impairment losses (Note 23)	38,810,755	5,815,570	1,230,055
Net unrealized foreign exchange losses (gains)	(21,149,358)	187,623	(6,500,174)
Equity in net earnings of associates (Note 11)	(5,290,459)	(21,938,643)	(16,435,855)
Retirement benefit expense	265,703	815,171	–
Restructuring related charges - net (Note 24)	–	229,400	159,752,032
Day 1 gain on short-term loan (Note 17)	–	–	(1,599,627)
Income (loss) before working capital changes	279,427,402	156,390,996	(418,505)
Decrease (increase) in:			
Trade and other receivables (Note 8)	(154,059,009)	(63,721,129)	(10,495,250)
Prepayments and other current assets (Notes 9 and 13)	37,526,157	(55,711,800)	2,352,262
Other noncurrent assets (Notes 13 and 15)	(9,177,432)	(19,002,856)	(6,838,006)
Increase (decrease) in accounts payable and accrued expenses (Notes 13 and 16)	30,703,079	(52,060,024)	34,874,584
Cash generated from (used in) operations	184,420,197	(34,104,813)	19,475,085
Income tax paid	(8,595,152)	(5,219,803)	(1,349,228)
Interest received	51,160,266	8,594,377	313,864
Net cash flows from (used in) operating activities	226,985,311	(30,730,239)	18,439,721
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Contract asset (Notes 33 and 35)	(110,715,900)	(735,090,898)	(574,883,490)
Project development costs (Note 12)	(588,487,965)	(84,857,209)	(58,432,419)
Investments in and advances to associates (Note 11)	(4,259,314)	(13,281,802)	(40,009,761)
Property, plant and equipment (Notes 10 and 13)	(81,023,450)	(2,005,194)	(221,007)
Computer software	–	(1,643,765)	–
Net change in amounts due from related parties (Note 20)	(445,572,077)	21,371,526	(50,927,712)
Payment for advances to contractors (Note 15)	(326,789,647)	–	–
Cash dividends received (Note 11)	50,900,692	3,750,000	–
Proceeds from redemption of shares (Note 11)	200,004	–	–
Payment to former shareholder of acquired subsidiary (Note 13)	–	(279,771,496)	–
Proceeds from government grant (Note 34)	–	194,347,628	–
Acquisition of non-controlling interest (Note 14)	–	(35,243,536)	–
Net cash inflow (outflow) from:			
Acquisition of a subsidiary (Note 13)	–	396,791	79,260,546
Deconsolidated subsidiaries (Note 13)	–	–	62,679
Net cash flows used in investing activities	(1,505,747,657)	(932,027,955)	(645,151,164)

(Forward)



			Six-Month Period Ended June 30, 2022 (As restated, Note 13)
	Year Ended June 30, 2024	Year Ended June 30, 2023	
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Long-term debt (Note 18)	₱2,000,000,000	₱496,800,000	₱577,365,000
Issuance of shares (Note 19)	1,450,000,000	1,654,302,101	–
Short-term loan (Note 17)	–	250,000,000	–
Issuance of shares by a subsidiary to non-controlling interest (Note 14)	–	–	299,686,000
Advances from a third party (Note 14)	–	–	214,000,000
Deposit for future stock subscription (Note 19)	–	–	37,732,500
Issuance of shares to parent equity holder	–	–	2,146
Movements of restricted cash and placements	(691,638,173)	(18,545,742)	–
Payments of:			
Long-term debt (Note 18)	(30,797,354)	(291,420,625)	–
Interests (Notes 17, 18 and 34)	(12,915,312)	(103,014,882)	(4,592,224)
Deferred financing charges (Note 18)	(89,364,836)	(1,870,064)	(32,668,315)
Dividends (Note 14)	(23,750,000)	(23,750,000)	–
Lease liabilities (Note 24)	(8,421,053)	(3,091,200)	–
Share issuance costs (Note 19)	(6,350,675)	(72,889,676)	–
Short-term loan (Note 17)	–	(94,250,000)	–
Net change in amounts due to related parties (Note 20)	6,439,446	(191,246,296)	4,511,166
Net cash flows from financing activities	2,593,202,043	1,601,023,616	1,096,036,273
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	5,647,694	577,083	18,695,757
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	1,320,087,391	657,388,247	488,020,587
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD (Note 7)			
	1,238,986,852	581,598,605	93,578,018
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 7)			
	₱2,559,074,243	₱1,238,986,852	₱581,598,605

See accompanying Notes to Consolidated Financial Statements.



ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Alternergy Holdings Corporation (“AHC”; or 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” or “Board”) 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 consolidated financial statements as at June 30, 2024 and 2023 and for the years ended June 30, 2024 and 2023, and for the six-month period ended June 30, 2022 were approved and authorized for issuance by the BOD on September 25, 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 and the respective percentages of ownership as of June 30, 2024 and 2023:

	Nature of Business	2024		2023	
		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	-	-	-
Green Energy Supply Solutions Inc. (“GESSI”) ^(A)	Energy retail supplier	100	-	100	-

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

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

(C) Voting interest of AHC is 5.6% (direct) and 60% thru SPEC (indirect) as of June 30, 2024 and 2023

(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 June 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 and Statement of Compliance

Basis of Preparation

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

The consolidated balances as at and for the years ended June 30, 2024 and 2023 of the Group are not comparative with the consolidated balances as at and for the six-month period ended June 30, 2022 due to the change in the fiscal year of the Parent Company effective July 1, 2022 (see Note 1).



The consolidated financial statements have been prepared under the going concern assumption.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of June 30, 2024 and 2023 and for the years ended June 30, 2024 and 2023, and for the six-month period ended June 30, 2022.

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 ("OCI") 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.



For purposes of consolidation, the 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 comprehensive 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 consolidated financial statements of the Group are prepared in compliance with Philippine Financial Reporting Standards ("PFRSs") as issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the Philippine SEC.

4. **Changes in Accounting Policies and Disclosures**

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments to existing standards effective July 1, 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Adoption of these amendments did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to the Practice Statement provide non-mandatory guidance.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting



estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

- Amendments to PAS 12, *International Tax Reform - Pillar Two Model Rules*

The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after January 1, 2023.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. The Group is currently assessing the impact of the pronouncements on its consolidated financial statements.

Effective beginning on or after July 1, 2023

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*



Effective beginning on or after July 1, 2024

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of Exchangeability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

5. **Summary of Material Accounting Policies**

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree pertaining to instruments that represent present ownership interests and entitle the holders to a proportionate share of the net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by PFRSs. Acquisition-related costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized as "bargain purchase gain" in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting date in which the business combination occurs, the provisional amounts of the items for which the accounting is incomplete are reported in the consolidated financial statements. During the measurement period, which shall be no longer than one (1) year from the acquisition date, the provisional amounts recognized at acquisition date are retrospectively adjusted to reflect new facts and circumstances obtained that existed as at the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, additional assets or liabilities are also recognized if new information is



obtained about facts and circumstances that existed as at the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as at that date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGUs") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Business combination of entities under common control is accounted for using a method similar to pooling of interest. Under the pooling of interest method, any excess of acquisition cost over the net asset value of the acquired entity is recorded in equity.

Impairment of Goodwill

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of cash-generating units is less than the carrying amount, an impairment loss is recognized.

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on the current/noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as noncurrent.



Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, at fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest ("SPPI")" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of holding to collect contractual cash flows and selling.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in four (4) categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial Assets at Amortized Cost (Debt Instruments). The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.



Impairment of Financial Assets. The Group recognizes an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition as financial liabilities at FVTPL, loans and borrowings and payables as appropriate.

All financial liabilities are recognized initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement - Loans and Borrowings. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.



Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of comprehensive income.

Derecognition. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Fair Value Measurement

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Group's consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to set-off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise of cash on hand and in banks, and short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. They are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Restricted Cash and Placements

Restricted cash and placements represent cash in banks and money market placements earmarked for long-term debt principal and interest repayment maintained in compliance with loan agreements.

Property, Plant and Equipment

Property, plant and equipment, except for land, are carried at cost net accumulated depreciation and accumulated impairment losses, if any. Cost includes the present value expected for the decommissioning of the plant at the end of its useful life and capitalized borrowing costs incurred in connection with the construction of the plant. Capitalization of borrowing costs as part of the cost of property, plant and equipment ceases upon completion of the construction of the plant. The initial cost of computer software consists of its purchase price, including import duties and nonrefundable purchase taxes and any directly attributable cost of preparing the asset for its intended use. Land is carried at cost less any impairment in value.

The initial cost of property, plant and equipment consists of its purchase price, including import duties, nonrefundable taxes and any directly attributable costs of bringing the property, plant and equipment to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property, plant and equipment when that cost is incurred if the recognition criteria are met.

Depreciation of property, plant and equipment is computed using the straight-line basis over the estimated useful lives of the property, plant and equipment as follows:

	Number of years
Leasehold improvements	Shorter of 5 or lease term
Office equipment	3
Furniture and fixtures	3
Computer equipment	3



The components of the solar power plant and their respective estimated useful lives are as follows:

	Number of years
Solar module	25
Inverter	25
Mounting structure	25
Other equipment	7–25

Expenditures incurred after the property, plant and equipment have been put into operations, such as repairs and maintenance, are normally charged to expense in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment. The present value of the expected cost for decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The depreciation method and estimated useful lives are reviewed periodically. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the items of property, plant and equipment are accounted for by changing the depreciation method and useful lives, as appropriate, and treated as a change in accounting estimates. The depreciation expense on the items of property, plant and equipment is recognized in the consolidated statement of comprehensive income.

When property, plant and equipment are retired or otherwise disposed of, their cost, accumulated depreciation and any allowance for impairment in value are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated statement of comprehensive income. Fully depreciated property, plant and equipment are retained in the accounts until these are no longer in use.

Construction in progress represents the power plant facility under construction and is stated at cost which includes costs of construction, capitalized borrowing costs, cost of testing and other directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Construction in progress is not depreciated until such time when the relevant assets are completed and put into operational use.

Service Concession Arrangements

Public-to-private service concession arrangements where: (a) the grantor controls or regulates what services the Group must provide with the infrastructure to whom it must provide them, and at what price; and (b) the grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement are accounted for under the provisions of Philippine Interpretation IFRIC 12, *Service Concession Arrangements*.



Infrastructures used in a public-to-private service concession arrangement for its entire useful life (whole-of-life assets) are within the scope of this interpretation if the conditions in (a) and (b) are met. These infrastructures may be (a) constructed or acquired from a third party for the purpose of the service arrangement; and (b) existing infrastructure to which the grantor gives the Group access for the purpose of the service arrangement.

Where the operator receives the right (license) to charge users of public service, the Group accounts for such arrangement under the intangible asset model.

Construction Services. The Group recognizes revenue for construction in accordance with PFRS 15, *Revenue from Contracts with Customers*.

On-going construction services on concession arrangements under the scope of Philippine Interpretation IFRIC 12 are recorded as contract assets.

Contract Asset. A contract asset is initially recognized for revenue earned from installation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognized as contract assets is reclassified to receivable.

Intangible Asset - Service Concession Right. After the construction phase of the arrangement, the operator's contract asset (representing its accumulating right to be paid for providing construction services) is presented as an intangible asset (license to charge users of the infrastructure).

Service concession right pertains mainly to its right to charge users of the public service in connection with the service concession and related arrangements. This is recognized initially at the fair value of the construction services. Following initial recognition, service concession right is carried at cost less accumulated amortization and any accumulated impairment losses.

Service concession right is amortized using the straight-line method over the estimated useful economic life of 20 years, which is the service concession period, and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the service concession.

Gains or losses arising from derecognition of the service concession right are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income when the asset is derecognized.



Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. Alternatively, it may choose to reduce the carrying amount of the asset.

The Group has elected to present the grant as a reduction in the carrying amount of the related asset. The grant is then recognized in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that the Group incurs in connection with the borrowing of funds.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as of the date of acquisition. The intangible assets arising from the business combination are recognized initially at fair values.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and any impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized using the straight-line method over the estimated useful economic life, and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization shall begin when the asset is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortization period and method for an intangible asset with a finite useful life are reviewed at least each financial reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the said intangible asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash generating unit ("CGU") level. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made prospectively.



Project Development Costs

Project development costs are expensed as incurred until management determines that the project is technically, commercially and financially viable, at which time, project development cost is capitalized. Project viability generally occurs in tandem with management's determination that a project should be classified as an advanced project, such as when resource assessment has been determined to be viable, favorable results of a system impact study are received and interconnected agreements are obtained, among other relevant factors for each project being assessed.

Following initial recognition of the project development cost as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated impairment losses. During the period in which the asset is not yet available for use, the project development cost is tested for impairment annually, irrespective of whether there is any indication of impairment.

Customer Off-take Agreement

The intangible asset arising from customer relationship in a business combination is recognized initially at fair value. Following initial recognition of the intangible asset from customer off-take agreement, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses, if any. Intangible asset from customer relations is amortized using the straight-line method over the remaining useful life of the off-take agreement, which is the remaining term of the Power Supply Agreement between the acquired entity and its customer.

Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only on when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains



and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share in the profit or loss of an associate is included in the balance shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associates or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each balance sheet date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the loss in the consolidated statement of comprehensive income.

Upon loss of significant influence or joint control over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that its nonfinancial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates these nonfinancial assets' recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Impairment losses from continuing operations are recognized in profit or loss.

An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. Any previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of



depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income.

Asset Retirement Obligation

The Group records a provision for asset retirement obligation for its project assets. Asset retirement obligation is recognized at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the asset retirement obligation. The unwinding of the discount is expensed as incurred and recognized in the consolidated statement of comprehensive income as finance costs. The estimated future obligation is reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Capital Stock and Additional Paid-in Capital

Capital stock is measured at par value and is classified as equity for all shares issued. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account in the consolidated statement of financial position. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Group, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Share issuance costs are incremental costs directly attributable to the issuance or subscription of shares which are shown as a deduction from additional paid-in capital. If additional paid-in capital is not sufficient, the excess is charged against the "Equity reserve" account. Costs that are not incremental or directly attributable to the issuing new shares are recorded as expense in the consolidated statement of comprehensive income.

Retained Earnings (Deficit)

The amount included in the account includes cumulative profit or loss attributable to the Parent Company's stockholders and reduced by dividends. Dividends are recognized as a liability and deducted from equity when they are approved by the Parent Company's BOD. Dividends for the period that are approved after the end of the financial reporting date are dealt with as an event after the financial reporting period. The account may also include the effect of changes in accounting policy as may be required by the accounting standard's transitional provisions.

Equity Reserve

Equity reserve pertain to the difference between the consideration transferred and the book value of interest acquired from non-controlling interest without loss of control.

Deposit for Future Stock Subscription

Deposit for future stock subscriptions represents the additional capital invested by the stockholders that will be credited to capital stock upon approval by the SEC of the application for increase in authorized capital stock.



Deposit for future stock subscription is accounted for as a separate account under equity when all of the following elements are present as at end of reporting period:

- the unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract,
- there is BOD approval on the proposed increase in authorized capital stock (for which a deposit was received by the Parent Company),
- there is stockholders' approval of said proposed increase; and,
- the application for the approval of the proposed increase has been filed or presented for filing with SEC.

When one of the conditions above is not met, the amount is recorded as a liability.

Revenue Recognition

Revenue from Contracts with Customers

The Group has contracts with customers in the form of Power Supply Agreements ("PSA").

The Group recognizes revenue when it satisfies an identified performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. The Group determines, at contract inception, whether it will transfer control of a promised good or service over time. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Revenue from contracts with customers is consummated whenever the electricity generated by the Group is transmitted through the transmission line designated by the buyer, for a consideration.

Revenue from sale of electricity is recognized monthly based on the actual energy delivered.

The revenues, which correspond to the amount billed monthly, are presented as "Revenue from sale of electricity" in the consolidated statement of comprehensive income.

The Group has concluded that it is acting as a principal in all its revenue arrangements since it is the primary obligor in all the revenue arrangements.

Interest Income

Revenue is recognized as interest accrues, using the EIR method that uses the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Commissioning Income

Commissioning income is recognized by the Group during the commissioning phase of the project. This phase occurs after construction has been completed but before the project is fully operational. During commissioning, any testing of the project to ensure it meets certain specifications, performance, and reliability standards might be performed. This is presented under "Revenue from sale of electricity."



Income from Liquidated Damages

Income from liquidated damages is recognized by the Group from the contractor when the final completion has not been achieved by the guaranteed final completion date. Any revenue for generation or services under the power purchase agreement associated with the works which accrues during the time that the contractor is liable for any delay liquidated damages, such revenue shall be offset to any delay liquidated damages payable to the Group. This is presented as part of "Project costs recovery" in the consolidated statement of comprehensive income.

Costs and Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Costs and expenses are generally recognized when the services are used or the expenses arise.

General and Administrative Expenses

General and administrative expenses are incurred in the direction and general administration of day-to-day operations of the Group. General and administrative expenses are generally recognized when the services are used or the expenses arise.

Leases

Right-of-use Assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, it shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

Right-of-use assets is subject to impairment in accordance with the Group's policy on impairment of nonfinancial assets.

Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group uses its incremental borrowing rate as the discount rate.



The Group determines the incremental borrowing rate representing the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate applied to the lease was determined taking into account the risk-free rate, adjusted for factors such as the credit rating of the Group and the terms and conditions of the lease.

Lease payments included in the measurement of the lease liability comprise the following:

1. fixed payments, including in-substance fixed payments less any lease incentives receivable;
2. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
3. lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Subsequent Measurement

The lease liability is measured at amortized cost using the EIR method. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. For remeasurements to lease liabilities, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term Leases and Leases of Low-value Assets

The Group applies the short-term lease recognition exemption to its short-term leases for its (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Foreign Currency Transactions

The Group's consolidated financial statements are presented in Philippine Peso, which is the functional and presentation currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of the reporting period. All differences are taken to consolidated statement of comprehensive income.

On consolidation, the assets and liabilities of foreign operations are translated into Philippine Peso at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to consolidated statement of comprehensive income.



Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are made by discounting the expected future cash flows at a pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Income Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income.

Deferred Income Tax

Deferred income tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination which, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination which, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes when an inflow of economic benefits is probable.

Events after the Financial Reporting Date

Post year-end events that provide additional information about the Group's financial position at the end of reporting date (adjusting event) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.



6. Significant Accounting Judgments, Estimates and Assumptions

The Group's consolidated financial statements prepared in accordance with PFRSs require management to make judgments and estimates that affect amounts reported in the consolidated financial statements and related notes. The judgments and estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Group's consolidated financial statements. Actual results could differ from such estimates.

Judgments

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

Determination of Control over an Investee Company

Control is presumed to exist 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. Management has determined that by virtue of its majority ownership in its subsidiaries as of June 30, 2024 and 2023, the Group has the ability to exercise control over these investees (see Notes 2 and 3).

While the Parent Company directly owns less than 50% of the voting rights in SPPP, the Group controls SPPP by virtue of SPEC who has 51% voting interest in SPPP. Both the Parent Company and SPEC have majority representation in SPPP's BOD as designated in the shareholder's agreement. Furthermore, the Parent Company's approval is required for all major operational decisions in SPPP through its control in SPEC.

Determination of Significant Influence over an Investee Company

As of June 30, 2024 and 2023, the Group considers its investments in Pilillia Wind Power Corporation ("PWPC"; formerly, Alternergy Wind One Corp), Sembrano Wind Power Corporation ("SWPC"; formerly, Alternergy Sembrano Wind Corp), Dupinga Mini Hydro Corporation ("DMHC"), Solar Pacific CitySun Corporation ("SPCC") and Kiangnan Mini Hydro Corporation ("KMHC") as investments in associates. The Group owns less than 20% of the voting rights of PWPC, SWPC and DMHC but concluded that it has significant influence over the operating and financial policies of the associates due to the following:

- representation in the BOD;
- participation in policy-making processes, including participation in decisions about dividends and other distributions;
- material transactions between the investor and investee;
- interchange of managerial personnel; and
- provision of essential technical information.

KSEC used to be an associate of the Group until the acquisition of the Parent Company of additional shares in KSEC that resulted to control over the latter effective June 10, 2022 (see Note 13).



Determining Joint Arrangements

Judgment is required to determine when the Group has joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, such as the acquisition, sale, assignment, lease, transfer or other disposition of any land or asset of the investee and the determination of the investee's funding structure. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Judgment is also required to classify a joint arrangement. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, it considers:

- the structure of the joint arrangement - whether it is structured through a separate vehicle
- when the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
 - the legal form of the separate vehicle;
 - the terms of the contractual arrangement; and,
 - other facts and circumstances (when relevant).

This assessment often requires significant judgment as to whether the arrangement is a joint operation or a joint venture as this may materially impact the accounting. Calavite Passage Wind Power Corporation ("CPWPC") and Tablas Strait Offshore Wind Power Corporation ("TSOWPC") are joint ventures since the Group has joint control and rights over CPWPC's and TSOWPC's net assets.

Service Concession Arrangements

The Group has determined that the power purchase agreement of SPPP with PPUC is within the scope of IFRIC 12. This is accounted for under the intangible asset model because SPPP receives the right to charge the users of the public service.

Capitalization of Project Development Costs

Careful judgment of management is applied when deciding whether the recognition requirements for project development costs relating to the Group's service contracts have been met. Capitalization of these costs is based, to a certain extent, on management's judgment of the degree to which the underlying project is determined to be technically, commercially and financially viable. Project viability generally occurs in tandem with management's determination that a project should be classified as an advanced project, such as when resource assessment has been determined to be viable, favorable results of a system impact study are received and interconnected agreements are obtained, among other relevant factors for each project being assessed. This is necessary as the economic success of the projects is uncertain and may be subject to future technical problems at the time of recognition. Judgments are based on the information available at end of each reporting period.



Estimates and Assumptions

Estimates is continually evaluated and is based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following item is of those matters which the Group assess to have significant risks arising from estimation uncertainties:

Business Combinations

The Group accounts for acquired businesses using the purchase method of accounting which requires that the assets acquired and the liabilities assumed be recorded at the date of acquisition at their respective fair values.

The application of the purchase method requires certain estimates and assumptions especially concerning the determination of the fair values of acquired assets and liabilities assumed at the date of the acquisition. The judgments made in the context of the purchase price allocation can materially impact the Group's future results of operations. Accordingly, for significant acquisitions, the Group obtains assistance from third party valuation specialists. The valuations are based on information available at the acquisition date (see Note 13).

Estimating Provision for Expected Credit Losses

- *General Approach for Cash and Cash Equivalents, Restricted Cash and Placements, Other Receivables, Time Deposits, and Due from Related Parties.* ECL on cash and cash equivalents, restricted cash and placements, other receivables, time deposits and due from related parties is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. The Group considers the probability of its counterparty to default its obligation and the expected loss at default after considering the effects of collateral, any potential value when realized and time value of money. The assumptions underlying the ECL calculation are monitored and reviewed at every reporting period.

The Group incorporates a forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. To do this, management considered a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs.

- *Simplified Approach for Trade Receivables.* For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

No provision for ECL on the Group's financial instruments was recognized in 2024, 2023 and 2022. The aggregate amount of the Group's financial assets amounted to ₱3,697.68 million and ₱1,561.61 million as of June 30, 2024 and 2023, respectively (see Note 30).

The information about the ECLs on the Group's financial assets is disclosed in Note 30.



Estimating Impairment of Nonfinancial Assets

The Group assesses impairment on nonfinancial assets including property, plant and equipment, prepayments and other current assets (excluding time deposits) and other noncurrent assets (excluding restricted cash) whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The factors that the Group considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The estimated recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of assets in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For impairment loss on specific assets, the recoverable amount represents the fair value less costs to sell.

Total impairment losses recognized by the Group amounted to ₱38.94 million and ₱5.82 million for the years ended June 30, 2024 and 2023, respectively, and ₱1.23 million for the six-month period ended June 30, 2022 (see Note 23). The aggregate carrying amounts of the Group's nonfinancial assets amounted to ₱4,711.47 million and ₱3,312.38 million as of June 30, 2024 and 2023, respectively (see Notes 9, 10, 11, 12, 15 and 25).

Estimating Impairment of Intangible Asset not yet Available for Use

The Group's intangible asset not yet available for use as of June 30, 2024 and 2023 pertains to the various project development costs of its subsidiaries. The Group performs impairment review on this asset annually irrespective of whether there is any indication of impairment by comparing its carrying amount with its recoverable amount. This impairment review requires an estimation of the value-in-use of the CGUs to which the intangible asset would provide future cash flow. Estimating value-in-use requires the Group to estimate the expected future cash flows from the CGUs and discounts such cash flows using weighted average cost of capital to calculate the present value of those future cash flows. The discount rates applied to cash flow projections ranges from 8.44%–10.26% in 2024 and from 10.20%–10.76% in 2023, and revenues beyond the five-year period are extrapolated using a growth rate ranging from 2.50%–3.00% in 2024 and 0.00%–2.49% in 2023.

In 2024, the Group recognized impairment on project development costs amounting to ₱38.72 million (see Notes 12 and 34). No impairment of project development costs was recognized in 2023 and 2022. The carrying values of project development costs amounted to ₱230.83 million and ₱348.72 million as of June 30, 2024 and 2023, respectively (see Note 12).

Key assumptions used in estimating the recoverable amounts for the different CGUs, including sensitivity analysis, are disclosed in Note 12.



Estimating Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The recoverable amounts of goodwill have been determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period. The revenue assumptions are based on the expected electricity to be sold taking into consideration the capacity of the plant and the tariff rates. The discount rates applied to cash flow projections ranges from 8.44%–10.26% in 2024 and from 10.20%–10.76% in 2023, and revenues beyond the five-year period are extrapolated using a growth rate ranging from 2.5%–3.00% in 2024 and 0.00%–2.49% in 2023.

No impairment of goodwill was recognized in 2024 and 2023. The carrying amount of goodwill amounted to ₱238.42 million as of June 30, 2024 and 2023 (see Note 12).

Estimating Realizability of Deferred Tax Assets

Deferred income tax asset is recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable income will be available in the future against which the deductible temporary differences can be utilized. Significant management estimate is required to determine the amount of deferred income tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies. The Group did not recognize deferred income tax assets on deductible temporary differences on unrealized foreign exchange losses, carryforward benefits of unused NOLCO, and excess minimum corporate income tax ("MCIT") totaling to ₱317.55 million and ₱185.72 million as of June 30, 2024 and 2023, respectively, as management believes that sufficient future taxable income will not be available to allow all or part of the deferred income tax asset to be utilized (see Note 27).

Estimating the Incremental Borrowing Rate for Leases

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for companies that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the Group's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Group's stand-alone credit rating).

As of June 30, 2024 and 2023, the carrying amount of lease liabilities amounted to ₱350.36 million and ₱50.36 million, respectively (see Note 26).



7. Cash and Cash Equivalents and Restricted Cash and Placements

a. Cash and Cash Equivalents

	2024	2023
Cash in banks and on hand	₱1,799,923,000	₱498,545,891
Cash equivalents	759,151,243	740,440,961
	₱2,559,074,243	₱1,238,986,852

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 and earn interest at the respective short-term investment rates including short-term time deposits.

b. Restricted Cash and Placements

Restricted cash and placements amounting to ₱418.35 million and ₱61.87 million as of June 30, 2024 and 2023, 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 ₱335.16 million as June 30, 2024 is presented as part of noncurrent assets (see Note 15).

Total interest earned from cash and cash equivalents, and restricted cash and placements amounted to ₱53.64 million and ₱6.49 million for the years ended June 30, 2024 and 2023, respectively, and ₱0.19 million for the six-month period ended June 30, 2022.

8. Trade and Other Receivables

	2024	2023
Trade (see Note 34)	₱79,457,486	₱17,347,134
Non-trade receivables from third parties	37,655,405	58,245,388
Dividend receivable (see Note 11)	21,250,301	1,250,000
Advances to employees	4,380,286	2,638,027
Others	2,810,611	3,495,022
	₱145,554,089	₱82,975,571

Trade receivables represent receivables arising from sale of electricity and are within normal credit term of 30 days (see Note 34).

Non-trade receivables from third parties include receivable from contractor amounting to ₱37.66 million and ₱40.93 million as of June 30, 2024 and 2023, respectively, which pertains to the income from liquidated damages arising from the delay of the construction of the Palau Project, net of the related amounts due to the contractor amounting ₱96.68 million and nil as of June 30, 2024 and 2023, respectively (see Note 25). The net receivable was fully collected in July 2024.



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.

9. **Prepayments and Other Current Assets**

	2024	2023
Prepaid insurance	₱14,202,552	₱2,418,020
Spare parts and supplies	2,719,922	2,965,270
Time deposits (see Note 34)	–	48,437,945
Others	1,115,363	1,742,759
	₱18,037,837	₱55,563,994

Time deposits are made for a period of more than three months, but less than one year. Total interest income from the time deposits amounted to nil and ₱2.10 million for the years ended June 30, 2024 and 2023, respectively, and ₱0.25 million for the six-month period ended June 30, 2022.



10. Property, Plant and Equipment

	Land	Solar Power Plant	Office Equipment	Furniture and Fixtures	Computer Software	Construction in Progress	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 12)	-	-	-	-	-	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 Notes 22 and 23)	-	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

	Land	Solar Power Plant	Office Equipment	Furniture and Fixtures	Computer Software	Construction in Progress	2023 Total
Cost							
At July 1	P512,241,765	P538,613,485	P1,087,850	P29,451	P249,331	P-	P1,052,221,882
Additions	-	1,419,673	583,213	2,308	-	-	2,005,194
Adjustment from remeasurement of asset retirement obligation	-	(810,070)	-	-	-	-	(810,070)
At June 30	512,241,765	539,223,088	1,671,063	31,759	249,331	-	1,053,417,006
Accumulated Depreciation							
At July 1	-	1,602,168	865,681	29,451	244,717	-	2,742,017
Depreciation (see Notes 22 and 23)	-	29,365,261	192,526	770	1,116	-	29,559,673
At June 30	-	30,967,429	1,058,207	30,221	245,833	-	32,301,690
Net Book Values	P512,241,765	P508,255,659	P612,856	P1,538	P3,498	P-	P1,021,115,316



On April 26, 2024 and June 4, 2024, AWPC and ATWC issued their respective notices to proceed (“NTP”) which signifies the start of construction of their respective wind projects. As such, project development costs amounting to ₱370.78 million and ₱296.88 million for AWPC and ATWC, respectively, were reclassified to construction in progress (see Note 12).

As of June 30, 2024 and 2023, the cost of fully depreciated property, plant and equipment that are still being used in the Group’s operations amounted to ₱0.72 million and ₱0.51 million, respectively.

Property, plant and equipment of certain subsidiaries with net book value of ₱610.69 million and ₱647.76 million as of June 30, 2024 and 2023, respectively, have been mortgaged as security for their respective loans (see Note 18).

11. Investments in and Advances to Associates and Joint Ventures

	2024	2023
Cost		
At July 1	₱94,203,880	₱85,714,808
Additions	44,269,094	8,489,072
Redemption	(200,004)	–
At June 30	138,272,970	94,203,880
Accumulated Equity in Net Earnings (Losses)		
At July 1	43,272,299	25,083,656
Equity in net earnings for the year	5,290,459	21,938,643
Dividends	(70,900,993)	(3,750,000)
At June 30	(22,338,235)	43,272,299
Share in remeasurement loss on retirement benefit obligation of an associate	(15,577)	(15,577)
	115,919,158	137,460,602
Advances to associates	4,792,711	44,802,491
	₱120,711,869	₱182,263,093

The Group’s associates and joint ventures and the corresponding percentage of equity ownership as of June 30, 2024 and 2023 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 and joint ventures 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. Net cumulative unrecognized net losses amounted to ₱15.60 million as of June 30, 2024 and 2023, for the six-month period ended June 30, 2022, respectively.

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

Dividends from SPCC amounted to ₱5.00 million and ₱3.75 million for the years ended June 30, 2024 and 2023, respectively.



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.

Dividends from PWPC amounted to ₱65.90 million and nil for the years ended June 30, 2024 and 2023, respectively.

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 AHC (through AWHC) in CPWPC. Consequently, CPWPC ceased to be a subsidiary of the Parent Company and the Group recognized a gain on deconsolidation of a subsidiary amounting to ₱150,490.

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 AHC (thru AWHC) in TSOWPC. Consequently, TSOWPC ceased to be a subsidiary of the Parent Company and the Group recognized a gain on deconsolidation of a subsidiary amounting to ₱78,910.

Summarized Financial Information

The summarized financial information of the material associates and joint ventures are as follows:

	2024	2023
SPCC		
Current assets	₱51,792,274	₱59,807,245
Noncurrent assets	253,900,661	270,871,338
Current liabilities	25,327,076	7,591,132
Noncurrent liabilities	214,185,497	252,820,270
Equity	₱66,180,362	₱70,267,181
PWPC		
Current assets	₱1,303,274,489	₱2,101,830,101
Noncurrent assets	4,271,599,872	4,009,666,289
Current liabilities	788,897,702	492,150,745
Noncurrent liabilities	3,291,231,490	3,030,738,772
Equity	₱1,494,745,169	₱2,588,606,873

	Year Ended June 30, 2024	Year Ended June 30, 2023	Six-month period ended June 30, 2022
SPCC			
Revenue	₱55,549,331	₱16,824,048	₱16,824,048
Operating profit	18,802,034	1,372,313	1,372,313
Total comprehensive income	18,802,034	1,372,313	1,372,313
PWPC			
Revenue	663,899,442	643,248,974	553,880,328
Operating profit	300,888,460	313,554,540	205,726,525
Total comprehensive income	275,278,735	285,970,347	205,726,525



The associates and joint ventures have no contingent liabilities or capital commitments as of June 30, 2024 and 2023. As of June 30, 2024 and 2023, undistributed earnings of the associates and joint ventures in the Group's retained earnings are not available for distribution to shareholders unless declared by the associates and joint ventures.

Dividends receivable from PWPC and SPCC amounting to ₱21.25 million as of June 30, 2024 were collected in July 2024 while dividend receivable from SPCC amounting to ₱1.25 million as of June 30, 2023 was collected in July 2023.

12. Intangible Assets

	Service Concession Right	Project Development Costs	Goodwill	Customer Off-take Agreement	June 30, 2024 Total
Cost					
At July 1, 2023	₱-	₱350,883,196	₱238,423,078	₱283,172,980	₱872,479,254
Additions (see Note 34)	-	588,487,965	-	-	588,487,965
Reclassifications (see Note 10)	1,301,036,599	(667,654,361)	-	-	633,382,238
At June 30, 2024	1,301,036,599	271,716,800	238,423,078	283,172,980	2,094,349,457
Accumulated Amortization					
At July 1, 2023	-	-	-	15,636,561	15,636,561
Amortization during the year (see Note 22)	34,245,464	-	-	14,807,606	49,053,070
At June 30, 2024	34,245,464	-	-	30,444,167	64,689,631
Allowance for Impairment Losses					
At July 1, 2023	-	2,163,722	-	-	2,163,722
Provision during the year (see Note 23)	-	38,723,610	-	-	38,723,610
At June 30, 2024	-	40,887,332	-	-	40,887,332
Cumulative translation adjustment	68,781,957	-	-	-	68,781,957
	₱1,335,573,092	₱230,829,468	₱238,423,078	₱252,728,813	₱2,057,554,451

	Project Development Costs	Goodwill	Customer Off-take Agreement	June 30, 2023 Total
Cost				
At July 1, 2022	₱266,025,987	₱238,423,078	₱283,172,980	₱787,622,045
Additions (see Note 34)	84,857,209	-	-	84,857,209
At June 30, 2023	350,883,196	238,423,078	283,172,980	872,479,254
Accumulated Amortization				
At July 1, 2022	-	-	828,955	828,955
Amortization during the year (see Note 22)	-	-	14,807,606	14,807,606
At June 30, 2023	-	-	15,636,561	15,636,561
Allowance for Impairment Losses	2,163,722	-	-	2,163,722
	₱348,719,474	₱238,423,078	₱267,536,419	₱854,678,971

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 ₱1,369.82 million as of December 30, 2023 was reclassified to intangible asset (see Note 34).



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 (see Note 34).

Goodwill

Goodwill arose from the acquisition of SSAI in 2019 and KSEC in 2022 (see Note 13). 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.

Customer Off-take Agreement

Customer off-take agreement arose as part of the purchase price allocation from the acquisition of KSEC in 2022 (see Note 13). The intangible asset is from contractual agreements and other legal rights from KSEC’s relationship with its customer prior to its acquisition.

Impairment Assessment of Intangible Assets (see Note 3)

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. The pre-tax discount rates applied to the cash flow projections in 2024 and 2023 range from 8.44%–10.26% and 10.20%–10.76%, respectively. The revenue beyond the remaining term of the existing agreements were extrapolated using a growth rate of 2.5%–3.00% in 2024 and 0.00%–2.49% in 2023.

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.



In August 2024, IMHC surrendered its service contract for its hydro project (see Note 34). As such, impairment of project development costs amounting to ₱38.72 million was recognized in 2024. No impairment of project development costs was recognized for the year ended June 30, 2023 and for the six-month period ended June 30, 2022.

No impairment of goodwill was recognized for the year ended June 30, 2024 and 2023, and the six-month period ended June 30, 2022.

13. Step Acquisition of KSEC

KSEC is a registered solar power generation company based in Minergy Business Park, PHIVIDE Industrial Estate, Ilagan-Cagayan de Oro-Butuan Road, Sitio Kirahon, Barangay San Martin, Villanueva, Misamis Oriental. Prior to the acquisition, KSEC is accounted for as an investment in associate since it is 25%-owned by SPEC, the remaining shareholders being Sant Charitable Foundation ("SANT") at 30%, MINERGY at 25%, Josan Farms, Inc. ("Josan") at 10% and QBL at 10%.

On June 10, 2022, SANT, Josan and QBL, each as seller (collectively, "the Sellers"), executed separate Share Purchase Agreements ("SPA") with the Parent Company as the buyer, for the sale and purchase of the aggregated 50% direct interests of the Sellers on KSEC shares for a total consideration of ₱522.19 million. The Group acquired KSEC to be an anchor as it expands its investment portfolio in solar energy.

Effective June 10, 2022, the Parent Company owns 62.75% (both direct and through SPEC) of KSEC. The transaction was accounted for as a business combination achieved in stages.

By the date the 2022 consolidated financial statements were approved for issue by the BOD, the valuation required by PFRS 3 had not yet been completed. Hence, as allowed under PFRS 3, the assets recognized and liabilities assumed were based on provisional assessment of their fair value resulting to a provisional goodwill amounting to ₱462.47 million, and the valuation for property, plant and equipment, intangible assets, goodwill, and non-controlling interests was subject to change within one (1) year of measurement period after the acquisition date. As of the acquisition date, KSEC had signed contracts with customers for the sale of power which qualify for recognition as intangible assets separate from goodwill (see Note 6).

In 2023, the Parent Company completed the fair value measurement of the assets acquired and the liabilities assumed and the related purchase price allocation. The completion of the fair value measurement and purchase price allocation process resulted to the following:

- recognition of an intangible asset from customer relation and deferred tax liabilities amounting to ₱283.17 million and ₱21.69 million, respectively;
- increase in fair value of property, plant and equipment, non-controlling interests and gain on remeasurement of previously held interest by ₱150.54 million, ₱153.51 million and ₱13.28 million, respectively; and
- reduction of goodwill by ₱245.23 million.



Following PFRS 3, the fair value changes have been recognized retrospectively to the date of acquisition, resulting in the restatement and adjustment of the assets previously included in the consolidated statement of financial position as at June 30, 2022 and consolidated statement of comprehensive income for the six-month period ended June 30, 2022 as follows:

	As previously reported	Adjustments	As restated
Consolidated Statement of Financial Position			
Property, plant and equipment ^(A)	₱898,479,949	₱150,999,916	₱1,049,479,865
Intangible assets:			
Goodwill	483,655,816	(245,232,738)	238,423,078
Customer off-take agreement ^(B)	–	282,344,025	282,344,025
Project development costs	263,862,265	–	263,862,265
	747,518,081	37,111,287	784,629,368
Deferred tax liabilities	₱2,433,560	₱21,666,495	₱24,100,055
Deficit ^(C)	240,277,656	13,068,229	(227,209,427)
Non-controlling interests ^(D)	463,461,426	153,376,478	616,837,904
Consolidated Statement of Comprehensive Income			
Cost of sale of electricity ^(E)	₱3,002,238	₱371,381	₱3,373,619
Gross margin	6,328,729	(371,381)	5,957,348
Restructuring related charges - net ^(F)	173,034,032	(13,282,000)	159,752,032
Loss before income tax	(164,049,141)	12,910,619	(151,138,522)
Benefit from income taxes	(5,941,796)	(19,271)	(5,961,067)
Net loss	(158,107,345)	12,929,890	(145,177,455)
Total comprehensive loss	(138,115,158)	12,929,890	(125,185,268)
Net loss attributable to parent holder	(154,033,282)	13,068,229	(140,965,053)
Net income attributable to non-controlling interest	15,918,124	(138,339)	15,779,785

Notes to adjustments:

(A) Includes amortization of fair value adjustment on solar power plant for the period from June 10-30, 2022 amounting to ₱0.46 million

(B) Includes amortization of the intangible asset for the period from June 10-30, 2022 amounting to ₱0.83 million

(C) Includes the effect of the amortization in (A) and (B) above and the increase in gain on remeasurement of previously held interest amounting to ₱13.28 million

(D) Includes NCI's share of the amortization in (A) and (B) totaling to ₱0.14 million

(E) Pertains to the net effect of the amortization of fair value adjustment on solar power plant and intangible asset in (A) and (B)

(F) Pertains to the increase in gain on remeasurement of previously held interest

None of the goodwill recognized is expected to be deductible for income tax purposes. The 2022 comparative financial information was restated to reflect the adjustment to the provisional amounts.

From the date of the acquisition, KSEC contributed ₱9.33 million to the consolidated revenue and income of ₱3.48 million to the consolidated net loss of the Group for the six-month period ended June 30, 2022. Details are as follows:

Revenue from sale of electricity	₱9,330,967
Cost of sale of electricity	2,544,664
Gross profit	6,786,303
Expenses and taxes	3,303,862
Net income	₱3,482,441



If the combination had taken place at the beginning of 2022, consolidated revenue of the Group would have been ₱83.31 million and consolidated net loss would have been only ₱124.57 million instead of ₱147.98 million.

14. Material Partly-Owned Subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests as of June 30, 2024 and 2023

Company Name	Principal Place of Business	Ownership Interest
KSEC	Minergy Business Park, PHIVIDE 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%
		2024
		2023
Accumulated balances of material non-controlling interest:		
KSEC	₱280,154,952	₱275,404,571
SPEC	41,994,947	42,140,504
SPPP	426,212,408	336,405,576
Total comprehensive income allocated to material non-controlling interest:		
KSEC	31,000,381	22,913,820
SPEC	(145,557)	5,885,665
SPPP	89,806,832	33,720,102

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before intercompany eliminations.

	As of June 30, 2024		
	KSEC	SPPP	SPEC
Statements of Financial Position			
Current assets	₱154,168,961	₱228,923,313	₱63,377,137
Noncurrent assets	732,574,100	1,391,547,622	71,364,173
Current liabilities	123,586,485	66,710,661	9,424,540
Noncurrent liabilities	430,195,986	1,007,630,160	1,080,874
Total equity	₱332,960,590	₱546,130,114	₱124,235,896
Non-controlling interests	₱280,154,952	₱426,212,408	₱41,994,947



	As of June 30, 2023		
	KSEC	SPPP	SPEC
Statements of Financial Position			
Current assets	₱143,612,746	₱238,200,026	₱60,212,205
Noncurrent assets	769,245,930	1,208,916,267	72,354,637
Current liabilities	94,107,764	41,589,037	7,145,060
Noncurrent liabilities	499,337,541	991,432,857	821,993
Total equity	₱319,413,371	₱414,094,399	₱124,599,789
Non-controlling interests	₱275,404,571	₱336,405,576	₱42,140,504

	Year Ended June 30, 2024		
	KSEC	SPPP	SPEC
Statements of Comprehensive Income			
Income	₱192,107,572	₱181,968,316	₱54,476,925
Costs and expenses	(98,597,920)	(75,418,625)	(54,382,482)
Income (loss) before income tax	93,509,652	106,549,691	94,443
Provision for income tax	6,793,182	12,785,963	458,335
Net income (loss)	₱86,716,470	93,763,728	(363,892)
Other comprehensive income	-	-	-
Total comprehensive income (loss)	₱86,716,470	₱93,763,728	(₱363,892)
Total comprehensive income (loss) attributable to non-controlling interests	₱30,359,436	₱77,261,312	(₱145,557)

Statements of Cash Flows			
Operating	(₱46,657,292)	(₱107,529,688)	₱2,545,765
Investing	(449,638)	(1,434,176)	2,223,740
Financing	(2,143,776)	(5,657,809)	(2,001,786)
Net increase (decrease) in cash and cash equivalents	(₱49,250,706)	(₱114,621,673)	₱2,767,719

	Year Ended June 30, 2023		
	KSEC	SPPP	SPEC
Statements of Comprehensive Income			
Income	₱173,440,267	₱40,927,384	₱43,635,129
Costs and expenses	(103,896,367)	(4,873)	(28,720,429)
Income before income tax	69,543,900	40,922,511	14,914,700
Provision for income tax	4,098,320	-	200,204
Net income (loss)	₱65,445,580	40,922,511	14,714,496
Other comprehensive income	-	-	-
Total comprehensive income	₱65,445,580	₱40,922,511	₱14,714,496
Total comprehensive income attributable to non-controlling interests	₱22,913,820	₱33,720,102	₱5,885,665

Statements of Cash Flows			
Operating	(₱121,363,985)	₱40,922,511	(₱10,705,981)
Investing	(1,409,230)	(616,239,897)	(7,715,928)
Financing	(120,948,739)	471,308,861	(5,849,852)
Net decrease in cash and cash equivalents	(₱243,721,954)	(₱104,008,525)	(₱24,271,761)



	Six-Month Period Ended June 30, 2022		
	KSEC	SPPP	SPEC
Statements of Comprehensive Income			
Income	₱9,330,967	₱202,130	₱12,133,245
Costs and expenses	6,283,221	1,545,883	11,672,220
Income (loss) before income tax	3,047,746	(1,343,753)	461,025
Provision for income tax	–	–	360,694
Net income (loss)	₱3,047,746	(1,343,753)	100,331
Other comprehensive income	–	19,992,187	–
Total comprehensive income	₱3,047,746	₱18,648,434	₱100,331
Total comprehensive income attributable to non-controlling interests	₱1,135,285	₱15,551,316	₱49,162
Statements of Cash Flows			
Operating	(₱334,856)	₱3,723,402	₱10,077,260
Investing	–	3,078,320	(753,573)
Financing	–	245,295,440	(5,680,749)
Net increase (decrease) in cash and cash Equivalents	(₱334,856)	₱252,097,162	₱3,642,938

KSEC declared dividends to non-controlling interests amounting to ₱26.25 million and ₱8.75 million in 2024 and 2023, respectively. SPPP and SPEC did not declare/pay any dividends in 2024 and 2023.

Change in Non-controlling Interests

- In April 2022, SPPP issued 6,763,370 new shares at \$1.00 per share to AHC, 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.

- 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 (see Note 2).



15. Other Noncurrent Assets

	2024	2023
Restricted cash and placements (see Note 7)	₱335,157,334	₱–
Advances to contractors	326,789,647	–
Deferred debt issuance costs	60,855,000	–
Input VAT	44,783,458	40,296,009
Creditable withholding tax	7,741,281	5,196,888
Security deposits (see Note 26)	3,282,160	3,091,200
Others	3,738,315	1,783,688
	782,347,195	50,367,785
Less allowance for impairment losses on input VAT	19,742,064	19,654,919
	₱762,605,131	₱30,712,866

Movements in allowance for impairment losses on input VAT are as follows:

	2024	2023
At July 1	₱19,654,919	₱13,839,349
Provision (see Note 23)	87,145	5,815,570
At June 30	₱19,742,064	₱19,654,919

16. Payables and Advances

Accounts Payable and Accrued Expenses

	2024	2023
Accounts payable	₱52,539,935	₱29,106,583
Accrued expenses:		
Interest (see Notes 17 and 18)	35,022,374	33,719,000
Professional fees	2,715,000	5,212,336
Withholding tax	10,667,594	2,535,448
Others	4,225,360	2,590,443
	₱105,170,263	₱73,163,810

Accounts payable pertains to the Group's liabilities for fees to be paid to its broker and coordinated arranger for the Group's fund raising, contractors, suppliers and service providers, audit fees, and project development costs already incurred but not yet paid by the Group. These are noninterest-bearing and are settled within 30 days.

Accounts payable includes advances from a subsidiary's previous shareholder prior to acquisition of said subsidiary in 2019 amounting to ₱6.90 million as of June 30, 2024 and 2023.

For the years ended June 30, 2024 and 2023, additions to contract assets includes outstanding payables amounting to ₱93.96 million and ₱16.50 million as of June 30, 2024 and 2023, respectively.



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 AHC 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 June 30, 2024 and 2023, 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.

17. Short-term Loan

On December 8, 2022, AHC 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 June 30, 2024 and 2023, the interest payable amounted to ₱1.62 million and ₱1.15 million, respectively (see Note 16) and unamortized portion of the debt transaction costs amounted ₱1.22 million and ₱0.82 million as of June 30, 2024 and 2023, respectively.

Interest expense on short-term loan amounted to ₱20.24 million and ₱11.27 million for the years ended June 30, 2024 and 2023, respectively, and ₱3.20 million for the six-month period ended June 30, 2022.

18. Long-term Debts

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

	2024	2023
Banco de Oro Unibank Inc. ("BDO")	₱2,000,000,000	₱-
Export Finance Australia ("EFA")	1,028,605,500	993,600,000
RCBC	499,178,793	562,067,460
	3,527,784,293	1,555,667,460
Less deferred financing charges	56,821,067	34,367,853
	3,470,963,226	1,521,299,607
Less current portion	118,602,987	82,566,864
	₱3,352,360,239	₱1,438,732,743



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 June 30, 2024, Assigned Collateral amounting to ₱520.00 million (see Notes 7 and 15).

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

As of June 30, 2024, the Group has accrued interest related to this loan amounting to ₱14.22 million which was capitalized as part of the costs of the Alabat and Tanay wind projects (see Note 10). Interest payable amounting to ₱14.22 million as of June 30, 2024 is presented under "Accounts payable and accrued expenses" account (see Note 16).

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 ₱8.87 million and ₱10.00 million as of June 30, 2024 and 2023, respectively (see Note 16).

The loan is secured by the capital stock of KSEC amounting to P320.01 million and property, plant and equipment with net book value of ₱610.69 million and ₱647.76 million as of June 30, 2024 and 2023, respectively (see Note 10). 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 June 30, 2024 and 2023, 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 June 30, 2024 and 2023, total assets of SPPP amounted to ₱1,721.14 million and ₱1,406.31 million, respectively.

Debt Covenants

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

As of June 30, 2024 and 2023, SPPP is compliant with the covenants of the PFA.

In 2024 and 2023, the Group capitalized interest expense amounting to ₱44.89 million and ₱69.15 million for the construction of the Palau Project (see Note 34).



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

	2024	2023
At July 1	₱34,367,853	₱41,627,904
Additions	26,660,521	–
Amortization during the period	(5,940,497)	(5,962,377)
Translation adjustment	1,733,190	(1,297,674)
At June 30	₱56,821,067	₱34,367,853

e. Total interest expense on these long-term debts amounted to ₱63.74 million and ₱72.18 million for the years ended June 30, 2024 and 2023, respectively, and ₱7.23 million for the six-month period ended June 30, 2022.

19. Equity

Capital Stock and Additional Paid-in Capital

Details on the movement of the Group's capital stock as of June 30, 2024 and 2023 are as follows:

	Number of Shares		Amount	
	2024	2023	2024	2023
Common stock - ₱0.10 par value				
Authorized	10,406,291,160	10,406,291,160		
Issued and outstanding	3,933,840,480	3,933,840,480	₱393,384,048	₱393,384,048
Preferred stock - ₱0.10 par value				
Authorized	–	1,481,594,548		
Issued and outstanding	–	370,398,637	₱–	₱37,039,864
Redeemable preferred shares				
(RPS) 1 - ₱0.10 par value				
Authorized	1,181,594,548	–		
Issued and outstanding	370,398,637	–	37,039,864	–
RPS 2 Series A - ₱0.10 par value				
Authorized	100,000,000	–		
Issued and outstanding	100,000,000	–	10,000,000	–
RPS 2 Series B - ₱0.10 par value				
Authorized	100,000,000	–		
Issued and outstanding	–	–	–	–
RPS 2 Series C - ₱0.10 par value				
Authorized	100,000,000	–		
Issued and outstanding	–	–	–	–
			₱47,039,864	₱37,039,864



All common and preferred shares of AHC 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 nonparticipating 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.

20. 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 Year Ended June 30		Outstanding Balance		Terms	Conditions
	2024	2023	2024	2023		
Due from Related Parties						
Parent:						
VHC						
Cash advances	P-	P-	P3,328,000	P3,328,000	On demand; noninterest-bearing	Unimpaired; Unsecured
Entities under common ownership:						
ASWC						
Receivable for development costs	3,974,208	-	68,691,982	64,717,774	On demand; noninterest-bearing	Unimpaired; Unsecured
Cash advances	320,427	4,792,710	5,113,137	4,792,710	On demand; noninterest-bearing	Unimpaired; Unsecured
Retirement of preference shares	-	-	-	600	On demand; noninterest-bearing	Unimpaired; Unsecured
DMHC						
Cash advances for construction costs	170,303,557	-	170,303,557	-	On demand; noninterest-bearing	Unimpaired; Unsecured
NAPI						
Cash advances	58,898,619	6,000,000	64,898,619	6,000,000	On demand; noninterest-bearing	Unimpaired; Unsecured
CPWPC						
Cash advances	370,000	-	631,658	261,658	On demand; noninterest-bearing	Unimpaired; Unsecured
TSOWPC						
Cash advances	13,044	-	49,812	36,768	On demand; noninterest-bearing	Unimpaired; Unsecured
SPCC						
Cash advances	216,763	-	1,395,306	1,178,543	On demand; noninterest-bearing	Unimpaired; Unsecured
KMHC						
Cash advances for development costs	208,692,660	-	208,692,660	-	On demand; noninterest-bearing	Unimpaired; Unsecured
APIC						
Cash advances	590,000	4,200,000	18,775,000	18,185,000	On demand; noninterest-bearing	Unimpaired; Unsecured
Assigned receivables	-	-	28,269,080	28,269,080	On demand; noninterest-bearing	Unimpaired; Unsecured
APHC						
Cash advances	1,977,084	-	2,468,024	490,940	On demand; noninterest-bearing	Unimpaired; Unsecured
KTEC						
Cash advances	150,000	-	2,328,326	2,178,326	On demand; noninterest-bearing	Unimpaired; Unsecured
OSPC						
Cash advances	-	38,615	-	38,615	On demand; noninterest-bearing	Unimpaired; Unsecured
Triple Play Land Corporation						
Cash advances	107,665	-	107,665	-	On demand; noninterest-bearing	Unimpaired; Unsecured
Alternergy Solar Holding Corporation						
Cash advances	107,665	-	107,665	-	On demand; noninterest-bearing	Unimpaired; Unsecured
Shareholders						
Cash advances	-	450	-	110,400	On demand; noninterest-bearing	Unimpaired; Unsecured
			P575,160,491	P129,588,414		



	Transactions During the Year Ended June 30		Outstanding Balance		Terms	Conditions
	2024	2023	2024	2023		
Due to Related Parties						
Parent:						
VHC						
<i>Return of deposit for future stock subscription</i>	(P707,636)	P707,636	P–	P707,636	On demand; noninterest-bearing	Unsecured
Entities under common ownership:						
APHC						
<i>Cash advances</i>	–	88,488	88,488	2,541,406	On demand; noninterest-bearing	Unsecured
SPCC						
<i>Cash advances</i>	9,600,000	–	9,600,000	–	On demand; noninterest-bearing	Unsecured
			P9,688,488	P3,249,042		

- SPEC entered into an advisory agreement with KSEC and SPCC. The advisory services rendered by SPEC for SPCC for the years ended June 30, 2024 and 2023, and KSEC and SPCC for the six-month period ended June 30, 2022 consisting of administrative and support services, amounted to P3.24 million, P3.09 million and P3.42 million, respectively.
- The Group entered into a lease agreement with NAPI for the office space of certain subsidiaries until December 31, 2024 (see Note 26).
- The Group did not employ any personnel for the years ended June 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.

21. 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:

	Year Ended June 30, 2024	Year Ended June 30, 2023	Six-Month Period Ended June 30, 2022
Revenue from Contracts with Customers			
Power supply agreement (PSA)	P187,587,507	P171,315,119	P9,330,967
Power purchase agreement (PPA)	75,119,981	-	-
Commissioning income (see Note 34)	12,191,108	-	-
Spot market sales	4,749	168,925	-
	P274,903,345	P171,484,044	P9,330,967



	Year Ended June 30, 2024	Year Ended June 30, 2023	Six-Month Period Ended June 30, 2022
Primary Geographical Markets			
Philippines	₱187,592,256	₱171,484,044	₱9,330,967
Palau	87,311,089	–	–
	₱274,903,345	₱171,484,044	₱9,330,967
Timing of Revenue Recognition			
Transferred over time	₱274,903,345	₱171,484,044	₱9,330,967

22. Cost of Sale of Electricity

	Year Ended June 30, 2024	Year Ended June 30, 2023	Six-Month Period Ended June 30, 2022 (As restated - see Note 13)
Depreciation and amortization (see Notes 10, 12 and 26)	₱79,415,540	₱44,172,867	₱2,431,123
Operation and maintenance	22,042,763	15,891,885	942,496
	₱101,458,303	₱60,064,752	₱3,373,619

23. General and Administrative Expenses

	Year Ended June 30, 2024	Year Ended June 30, 2023	Six-Month Period Ended June 30, 2022
Professional fees	₱23,930,900	₱9,632,838	₱14,807,658
Outside services (see Note 20)	19,438,454	9,378,143	12,028,862
Salaries and wages	11,954,954	8,478,368	3,051,571
Taxes and licenses	8,395,085	4,961,997	19,159,130
Advertising and promotion	2,284,501	2,509,659	–
Listing fees (see Notes 1 and 19)	1,363,911	3,930,644	–
Rental (see Note 26)	1,323,774	2,345,694	1,065,028
Travel and transportation	1,508,647	1,650,430	90,056
Depreciation and amortization (see Note 10)	736,681	194,412	606,456
Provision for impairment losses (see Notes 12 and 15)	38,810,755	5,815,570	1,230,055
Others	9,781,867	3,636,954	1,199,380
	₱119,529,529	₱52,534,709	₱53,238,196

Professional fees include legal, audit, consultancy and stock agent fees.



Listing fees include stock listing fee, marketing, company promotion and consultancy fees in 2024 and 2023. Furthermore, listing fees in 2023 include IPO-related costs incurred by the Parent Company.

24. Restructuring Related Charges - Net

	Year Ended June 30, 2024	Year Ended June 30, 2023	Six-Month Period Ended June 30, 2022
Gain on deconsolidation (see Note 11)	₱–	₱229,400	₱45,835,119
Donation of receivables	–	–	(260,147,280)
Gain on remeasurement of previously held interest (see Note 13)	–	–	54,560,129
	₱–	₱229,400	(₱159,752,032)

In 2022, as part of the Group's restructuring exercise, the Parent Company divested its ownership in APIC and APHC. In connection with the said divestment, the former subsidiaries' receivables from the Parent Company, including AWHC's receivables from AHC, amounting to ₱260.15 million were donated to the latter's shareholders, pro-rata to their respective ownership in AHC, thereby resulting to the recognition of a one-time loss of the same amount in the consolidated statement of comprehensive income. Had the group restructuring not taken place in 2022, consolidated net income of the Group would have been ₱11.88 million.

Divestment of Subsidiaries

As part of its restructuring exercise, the Parent Company divested certain subsidiaries in 2022 from the Group resulting to a gain on deconsolidation amounting to ₱45.84 million in the statement of comprehensive income for the six-month period ended June 30, 2022.

25. Project Costs Recovery

- On March 15, 2022, AHC, AMHHC and Exeter Portofino Holdings, Inc. signed an investment framework agreement in LAMHC. A portion of the proceeds from such investment shall be used to reimburse all the costs incurred by AMHHC in developing Lamut Mini Hydro Project up to its financial close. In 2022, AMHHC received a total of ₱36.59 million as reimbursement. Consequently, the Group recognized the reimbursement as "Project costs recovery" in the 2022 consolidated statement of comprehensive income.
- On March 18, 2022, SPPP entered in an installation, commissioning and construction services onshore agreement for the construction of its solar photovoltaic electric energy generating and battery storage facility that was expected to be completed on May 18, 2023. In the agreement, SPPP is entitled to receive liquidated damages for delays in the completion of the solar facility. On June 8, 2023, SPPP received a notice of delay from its contractor and recognized income from liquidating damages amounting to ₱103.94 million and ₱40.93 million in 2024 and 2023, respectively (see Note 8).



26. Leases

SPPP

On January 19, 2021, SPPP entered into a 27-year lease agreement with a third party for the lease of parcels of land (the leased property) for the development, construction and operation of a solar power plant. The lease shall be for a term of 27 years commencing on the later of: (1) the Lease Effective Date and (ii) the first day of the month following the signing of the Power Purchase Agreement between SPPP and Palau Public Utilities Corporation. The lease agreement commenced on March 22, 2022, which is the lease effective date. The lease term is subject to an extension for another 23 years or shorter on terms and conditions to be mutually agreed upon by the parties.

SPPP's annual rent shall be on a fixed rate per square meter per year, subject to an escalation every five years. SPPP paid security deposit upon issuance of Notice to Proceed to the contractor for the commencement of project construction. The security deposit may be applied by SPPP to pay rent arrearages and other sums due to the lessor to cure any default by SPPP under the lease agreement. Accordingly, the security deposit is presented as part of "Other noncurrent assets" in the consolidated statements of financial position (see Note 15). The security deposit shall be increased every five years to reflect the increase in rent.

On February 28, 2022, SPPP entered into a 27-year grant of right of way easement with third parties. The right of way (ROW) easement became effective on March 22, 2022 and shall continue for a period of 27 years. The term may be extended by mutual agreement of the parties. SPPP paid a one-time lump sum consideration for the total ROW area.

On March 4, 2022, SPPP entered into another 27-year grant of right of way easement with another third party. The ROW easement became effective on March 22, 2022 and shall continue for a period of 27 years. The term may be extended by mutual agreement of the parties. SPPP's annual rent shall be a fixed rate per sqm per year and the first three (3) years shall be due and payable at the start of the term. The rent shall also be adjusted for inflation every three years.

ATWC

On October 9, 2023, ATWC and the Provincial Government of Rizal (collectively "the Parties") entered into a Lease Contract with Revenue-Sharing Agreement in relation to the development, construction, and operation of the Tanay Wind Project. The land lease is effective on October 1, 2023 and will expire after 25 years from Commercial Operations Date ("COD"), subject to extension for another 25 years under such term and conditions as may be agreed between the parties, plus an additional aggregate period of five (5) years to allow for the construction and decommissioning of the Project.

The rental of the above land lease consists of a fixed monthly rate and all other imposable taxes required to be collected.

A share in the project revenues, termed as the "Revenue Share", is determined by multiplying the Actual Generation for the relevant Contract Year by the Tariff and the Percentage which is initially set at three percent (3%), subject to escalation every five (5) years if the Tariff is a fixed amount throughout the operating life of the Tanay Wind Project, with calculations occurring at the actual COD of the project. The Revenue Share, payable annually to the Local Government



Unit starting from the year following the actual COD, is adjusted for the deduction of the annual lease payment. The expected COD is on November 27, 2025.

Set out below is the carrying amount of the right-of-use assets recognized and the movement for the years ended June 30, 2024 and 2023:

	2024	2023
Cost		
At July 1	₱51,139,072	₱59,902,106
Addition	310,756,513	–
Adjustments	–	(8,763,034)
At June 30	361,895,585	51,139,072
Accumulated Amortization		
At July 1	2,492,157	557,029
Amortization for the year	10,208,196	1,935,128
At June 30	12,700,353	2,492,157
	349,195,232	48,646,915
Cumulative translation adjustment	(1,228,020)	2,691,531
	₱347,967,212	₱51,338,446

Adjustments pertain to changes in cost estimates resulting from the continuous evaluation of the Group's provision requirements, including, but not limited to, expected costs to dismantle and remove the asset from the site and the expected timing of these costs.

Set out below is the carrying amount of the lease liability recognized and the movements for the years ended June 30, 2024 and 2023:

	2024	2023
At July 1	₱46,935,956	₱49,919,707
Addition	288,205,402	–
Interest expense accretion	19,661,020	3,331,602
Lease payments	(8,421,053)	(3,091,200)
Cumulative translation adjustment (see Note 2)	3,980,656	204,310
At June 30	350,361,981	50,364,419
Less current portion	28,082,850	3,428,463
Noncurrent portion	₱322,279,131	₱46,935,956



The following are the amounts recognized in the consolidated statements of comprehensive Income and consolidated statements of financial position:

	Year Ended June 30, 2024	Year Ended June 30, 2023	Six-Month Period Ended June 30, 2022
Recognized as expense			
Amortization (see Note 22)	₱1,055,095	₱–	₱–
Interest expense accretion	1,693,058	–	–
Rent expense on short-term leases (see Note 23)	1,323,774	2,345,694	1,065,028
	₱4,071,927	₱2,345,694	₱1,065,028
Capitalized			
Amortization	₱9,153,101	₱1,935,128	₱557,029
Interest expense accretion	17,967,962	3,331,602	793,699
	₱27,121,063	₱5,266,730	₱1,350,728

Shown below is the maturity analysis of the undiscounted lease payments as at June 30, 2024 and 2023:

	2024	2023
Within one year	₱12,687,579	₱3,091,200
More than one year to five years	76,093,474	14,537,693
More than five years to 10 years	126,723,789	20,159,316
More than 10 years to 15 years	126,771,789	22,367,316
More than 15 years to 20 years	126,819,789	24,575,316
More than 20 years to 25 years	126,771,789	26,783,316
More than 25 years	75,789,474	–

The Group entered has lease agreement with NAPI for the office spaces of certain subsidiaries (see Note 20). On February 21, 2021, the Group renewed its lease agreement with NAPI for nine months starting April 1, 2021 to December 31, 2021 and on January 1, 2022, the lease is renewed for a term of one-year beginning January 1, 2022 to December 31, 2022. On December 28, 2022, the Group renewed for a term of one year beginning January 1, 2023 to December 31, 2023 (see Notes 20 and 23). In February 2024, the lease was renewed again for a term of one year beginning January 1, 2024 to December 31, 2024. The Group applies the ‘short-term lease’ recognition exemption for these leases.

27. Income Tax

The Group, other than KSEC and SPPP, is subject to regular corporate income tax of 20%/25% or MCIT, whichever is higher. KSEC is entitled to the 5% gross income tax to the extent of undertaking the establishment, operation and maintenance of its solar energy generation facility, while SPPP is subject to 4% gross revenue tax (“GRT”) with deductions allowed for paid salaries subject to limitations as provided under the Palau National Code. SPPP did not have any revenue for the six-month period ended June 30, 2022. Starting January 1, 2023, SPPP is subject to the 12% Business Profit Tax on net income (gross revenue less allowable deductions) which replaced GRT.



Provision for (benefit from) income tax consists of the following:

	Year Ended June 30, 2024	Year Ended June 30, 2023	Six-Month Period Ended June 30, 2022 (As restated - see Note 13)
Current	₱19,703,653	₱9,836,530	₱360,694
Deferred	(2,131,470)	(367,847)	(6,321,761)
	₱17,572,183	₱9,468,683	(₱5,961,067)

The reconciliation of income tax at statutory income tax rate to the effective income tax is as follows:

	Year Ended June 30, 2023	Year Ended June 30, 2023	Six-Month Period Ended June 30, 2022 (As restated - see Note 13)
Income tax at statutory income tax rates	₱33,621,534	(₱7,356,242)	(₱37,784,631)
Adjustments resulting from:			
Nontaxable income	(36,787,774)	(7,501,875)	(29,207,776)
Movement in unrecognized deferred tax assets and others	28,688,207	20,669,138	(3,894,936)
Interest income subjected to final tax	(11,778,878)	(1,757,350)	(110,544)
Nondeductible expenses	3,829,094	5,415,012	65,036,820
	₱17,572,183	₱9,468,683	(₱5,961,067)

The components of the Group's net deferred income tax liabilities as at June 30 are as follows:

	2024	2023
Deferred income tax liabilities on:		
Right-of-use assets	₱71,823,612	₱-
Fair value adjustments from acquisition of a subsidiary	20,465,468	20,799,253
Net unrealized foreign exchange gains	4,946,833	3,025,733
	97,235,913	23,824,986
Deferred income tax assets on:		
Lease liabilities	73,085,277	-
NOLCO	2,397,981	-
Asset retirement obligation	117,407	92,778
MCIT	34,510	-
	75,635,175	92,778
	₱21,600,738	₱23,732,208



No deferred income tax assets were recognized on the following deductible temporary differences as it is not probable that sufficient taxable profit will be available to allow the benefit of the deferred income tax assets to be utilized in the future:

	2024	2023
NOLCO	₱302,396,797	₱176,289,666
Net unrealized foreign exchange losses	13,943,715	8,616,081
Retirement benefit obligation	1,080,874	815,171
MCIT	124,508	-

28. Earnings (Loss) per Share

Earnings (Loss) per common share amounts were computed as follows:

	June 30, 2024	June 30, 2023	June 30, 2022, (As restated - see Note 13)
a. Net income (loss) attributable to equity holders of the parent	₱25,480,176	(₱18,679,294)	(₱144,283,353)
b. Weighted average number of common shares issued and outstanding	3,933,840,480	2,037,063,692	202,760
Earnings (loss) per common share (a/b)	₱0.01	(₱0.01)	(₱712)

There are no dilutive potential common shares for the year ended June 30, 2024 and 2023.

29. 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:

June 30, 2024

	Parent	Wind	Hydro	Solar	RES	Total	Adjustments	Consolidated
Income (Expenses)								
Revenue from sale of electricity	P--	P--	P--	P274,903,345	P--	P274,903,345	P--	P274,903,345
Cost of sale of electricity	-	-	-	(101,458,303)	-	(101,458,303)	-	(101,458,303)
Equity in net earnings of associates	-	-	-	-	-	-	5,290,459	5,290,459
General and administrative expenses	(30,172,674)	(4,174,017)	(43,256,739)	(67,886,915)	(1,017,663)	(146,508,008)	26,978,479	(119,529,529)
Construction revenue	-	-	-	204,672,932	-	204,672,932	-	204,672,932
Construction costs	-	-	-	(204,672,932)	-	(204,672,932)	-	(204,672,932)
Project cost recovery	-	-	-	103,942,684	-	103,942,684	-	103,942,684
Finance costs	(34,701,718)	-	-	(63,502,206)	-	(98,203,924)	14,218,687	(83,985,237)
Net foreign exchange gain (loss)	12,450,784	(329,889)	(3,365,240)	(14,448)	-	8,741,207	2,355,576	11,096,783
Advisory fees	-	-	-	30,640,827	-	30,640,827	(27,400,827)	3,240,000
Interest income	36,916,178	396,778	6,548,345	9,775,119	387	53,636,807	-	53,636,807
Dividend income	57,477,500	65,900,993	-	23,772,500	-	147,150,993	(147,150,993)	-
Segment Income (Loss)	41,970,070	61,793,865	(40,073,634)	210,172,603	(1,017,276)	272,845,628	(125,708,619)	147,137,009
Provision for (benefit from) income tax	124,508	(2,106,841)	-	19,554,516	-	17,572,183	-	17,572,183
Net income (Loss)	P41,845,562	P63,900,706	(P40,073,634)	P190,618,087	(P1,017,276)	P255,273,441	(P125,708,615)	P129,564,826
Other Information								
Investment in and advances to associates	P--	P82,892,189	P48,990,194	P46,406,295	P--	P178,288,678	(P57,576,809)	P120,711,869
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	P5,769,994,494	P5,301,440,537	P785,539,884	P2,878,270,211	P9,433,486	P14,744,678,612	(P5,999,913,730)	P8,744,764,882
Segment liabilities	(P2,250,293,276)	(P5,092,717,305)	(P876,402,140)	(P1,897,492,618)	(P1,538,892)	(P10,118,444,231)	P5,670,304,058	(P4,448,140,173)
Depreciation and amortization	P492,575	P7,889,630	P420,397	P326,594,877	P--	P335,397,478	P6,623,702	P342,021,180

June 30, 2023

	Parent	Wind	Hydro	Solar	RES	Total	Adjustments	Consolidated
Income (Expenses)								
Revenue from sale of electricity	P--	P--	P--	P171,484,044	P--	P171,484,044	P--	P171,484,044
Cost of sale of electricity	-	-	-	(60,064,752)	-	(60,064,752)	-	(60,064,752)
Equity in net earnings of associates	-	-	-	-	-	-	21,938,643	21,938,643
General and administrative expenses	(28,925,293)	(2,814,704)	(7,008,110)	(40,612,356)	(162,665)	(79,523,128)	26,988,419	(52,534,709)
Construction revenue	-	-	-	782,674,637	-	782,674,637	-	782,674,637
Construction costs	-	-	-	(782,674,637)	-	(782,674,637)	-	(782,674,637)
Project cost recovery	-	-	-	40,927,384	-	40,927,384	-	40,927,384
Finance costs	(40,922,068)	-	-	(47,097,046)	-	(88,019,114)	-	(88,019,114)
Net foreign exchange gain (loss)	4,109,641	347,349	(3,057,064)	444,660	-	1,844,586	-	1,844,586
Advisory fees	-	-	-	30,073,347	-	30,073,347	(26,983,347)	3,090,000
Interest income	5,976,689	1,145	650,944	1,965,561	38	8,594,377	-	8,594,377
Dividend income	17,489,500	-	-	12,518,000	-	30,007,500	(30,007,500)	-
Gain on remeasurement of previously held interest	-	-	-	-	-	-	229,400	229,400
Segment Income (Loss)	(42,271,531)	(2,466,210)	(9,414,230)	109,638,842	(162,627)	55,324,244	(7,834,385)	47,489,859
Provision for (benefit from) income tax	-	700	6,223,204	4,298,523	-	10,522,427	(1,053,744)	9,468,683
Net income (Loss)	(P42,271,531)	(P2,466,910)	(P15,637,434)	P105,340,319	(P162,627)	P44,801,817	(P6,780,641)	P38,021,176
Other Information								
Investment in and advances to associates	P--	P82,571,762	P40,009,761	P35,083,195	P--	P157,664,718	P24,598,375	P182,263,093
Property, plant and equipment	P--	P--	P1,538	P861,929,958	P--	P861,931,496	P159,183,820	P1,021,115,316
Segment assets	P2,304,128,049	P400,979,387	P451,070,736	P2,621,548,327	P1,454,709	P5,779,181,208	(P904,942,422)	P4,874,238,786
Segment liabilities	(P272,233,489)	(P231,911,589)	(P501,859,358)	(P1,788,122,025)	(P42,841)	(P2,794,169,302)	P644,105,037	(P2,150,064,265)
Depreciation and amortization	P--	P--	P772	P44,366,509	P--	P44,367,281	P--	P44,367,281

June 30, 2022

	Parent	Wind	Hydro	Solar	RES	Total	Adjustments	Consolidated, as restated
Income (Expenses)								
Revenue from sale of electricity	P--	P--	P--	P9,330,967	P--	P9,330,967	P--	P9,330,967
Cost of sale of electricity	-	-	-	(3,373,619)	-	(3,373,619)	-	(3,373,619)
Equity in net earnings of associates	-	-	-	-	-	-	16,435,855	16,435,855
General and administrative expenses	(6,660,006)	(2,729,706)	(8,104,344)	(11,041,390)	(61,191)	(28,596,637)	(24,641,559)	(53,238,196)
Construction revenue	-	-	-	574,883,490	-	574,883,490	-	574,883,490
Construction costs	-	-	-	(574,883,490)	-	(574,883,490)	-	(574,883,490)
Project cost recovery	-	-	36,586,861	-	-	36,586,861	-	36,586,861
Finance costs	(9,269,563)	-	-	(4,026,536)	-	(13,296,099)	1,611,214	(11,684,885)
Net foreign exchange gain (loss)	7,589,378	(4,356,874)	3,485	1,193,963	-	4,429,952	4,668,107	9,098,059
Interest and other income	8,418	202	25,999	11,144,946	32	11,179,597	(5,721,129)	5,458,468
Restructuring related charges - net	(260,147,279)	42,902,564	-	44,210,683	-	(173,034,032)	13,282,000	(159,752,032)
Segment Income (Loss)	(268,479,052)	35,816,186	28,512,001	47,439,014	(61,159)	(156,773,010)	5,634,488	(151,138,522)
Provision for (benefit from) income tax	-	(6,218,176)	-	276,380	-	(5,941,796)	(19,271)	(5,961,067)
Net income (Loss)	(P268,479,052)	P42,034,362	P28,512,001	P47,162,634	(P61,159)	(P150,831,214)	P5,653,759	(P145,177,455)
Other Information								
Investment in and advances to associates	P--	P72,874,125	P207,578	P--	P--	P73,081,703	P77,710,945	P150,792,648
Property, plant and equipment	P--	P--	P4,466	P331,591,992	P--	P331,596,458	P717,883,407	P1,049,479,865
Segment assets	P1,299,570,548	P303,094,419	P364,534,606	P2,040,133,571	P1,611,942	P4,008,945,086	(P560,397,996)	P3,448,547,090
Segment liabilities	(P1,101,738,393)	(P165,439,491)	(P431,186,908)	(P1,286,192,071)	(29,304)	(P2,984,586,167)	P680,758,821	(P2,303,827,346)
Depreciation and amortization	P--	P--	P4,805	P2,661,393	P--	P2,666,198	P371,381	P3,037,579



Revenue and noncurrent operating assets by geographical locations are summarized below:

	Revenue			Property, Plant and Equipment		Intangible Assets	
	2024	2023	2022*	2024	2023	2024	2023
Philippines	P187,592,256	P171,484,044	P9,330,967	P1,739,749,071	P1,021,115,316	P721,981,359	P854,678,971
Palau	87,311,089	–	–	–	–	1,335,573,092	–
	P274,903,345	P171,484,044	P9,330,967	P1,739,749,071	P1,021,115,316	P2,057,554,451	P854,678,971

* For the six-month period ended June 30, 2022 (see Note 1)

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 PFRSs. 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.

30. 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, advances from a third party, due to related parties, short-term loan, long-term debts, and lease liabilities. 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:

June 30, 2024				
	On demand	Within one year	More than 1 year but less than 5 years	Total
Financial Assets				
Cash and cash equivalents	₱2,559,074,243	₱-	₱-	₱2,559,074,243
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
	₱3,134,234,734	₱563,904,574	₱335,157,334	₱4,033,296,642
Financial Liabilities				
Accounts payable and accrued expenses ^(B)	₱-	₱94,502,669	₱-	₱94,502,669
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
	₱223,688,488	₱627,554,075	₱2,251,337,740	₱3,102,580,303

(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

June 30, 2023				
	On demand	Within one year	More than 1 year but less than 5 years	Total
Financial Assets				
Cash and cash equivalents	₱1,238,986,852	₱-	₱-	₱1,238,986,852
Trade and other receivables	-	82,975,571	-	82,975,571
Restricted cash and placements ^(A)	-	61,869,646	-	61,869,646
Time deposits ^(B)	-	48,437,945	-	48,437,945
Due from related parties	129,588,414	-	-	129,588,414
	₱1,368,575,266	₱193,283,162	₱-	₱1,561,858,428
Financial Liabilities				
Accounts payable and accrued expenses ^(C)	₱-	₱70,628,362	₱-	₱70,628,362
Advances from a third party	214,000,000	-	-	214,000,000
Dividend payable	-	3,750,000	-	3,750,000
Due to related parties	3,249,042	-	-	3,249,042
Short-term loan	-	269,000,000	-	269,000,000

(Forward)



June 30, 2023				
	On demand	Within one year	More than 1 year but less than 5 years	Total
Lease liabilities	P–	P3,091,200	P108,422,957	P111,514,157
Long-term debt ^(D)	–	96,060,007	1,560,783,316	1,656,843,323
	P217,249,042	P442,529,569	P1,669,206,273	P2,328,984,884

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

(B) Presented under prepayments and other current assets

(C) Excluding statutory liabilities

(D) 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.

The table below show the credit quality by class of financial assets based on the Group's rating system as at June 30, 2024 and 2023:

	Neither Past Due nor Impaired		Past Due		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

	Neither Past Due nor Impaired		Past Due		2023 Total
	High Grade	Standard Grade	Unimpaired	Impaired	
Cash and cash equivalents ^(A)	P1,238,741,407	P–	P–	P–	P1,238,741,407
Trade and other receivables	–	82,975,571	–	–	82,975,571
Restricted cash and placements	61,869,646	–	–	–	61,869,646
Time deposit	48,437,945	–	–	–	48,437,945
Due from related parties	–	129,588,414	–	–	129,588,414
	P1,349,048,998	P212,563,985	P–	P–	P1,561,612,983

(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 June 30, 2024 and 2023 are as follows:

	Neither past due nor impaired	Past due but not impaired				Impaired	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

	Neither past due nor impaired	Past due but not impaired				Impaired	2023 Total
		Less than 30 days	31 to 60 Days	61 to 90 days	More than 90 Days		
Unrestricted cash and cash equivalents ^(A)	₱1,238,741,407	₱-	₱-	₱-	₱-	₱-	₱1,238,741,407
Trade and other receivables	82,975,571	-	-	-	-	-	82,975,571
Restricted cash and placements	61,869,646	-	-	-	-	-	61,869,646
Time deposit	48,437,945	-	-	-	-	-	48,437,945
Due from related parties	129,588,414	-	-	-	-	-	129,588,414
	₱1,561,612,983	₱-	₱-	₱-	₱-	₱-	₱1,561,612,983

(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 as at June 30, 2024 and 2023:

	Current	Past Due				2024 Total
		0-30 days	31-60 days	61-90 days	Over 90 days	
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	-	-	-	-	-	-



	Current	Past Due				2023 Total
		0-30 days	31-60 days	61-90 days	Over 90 days	
Expected loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	
Estimated total gross carrying amount at default	₱17,347,134	₱-	₱-	₱-	₱-	₱17,347,134
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, restricted cash and placements, and time deposits.* As of June 30, 2024 and 2023, the ECL relating to the cash and cash equivalents, restricted cash and placements, and time deposits of the Group are 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 as at June 30, 2024 and 2023:

	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

	2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
High grade*	₱1,349,048,998	₱-	₱-	₱1,349,048,998
Standard grade	-	129,588,414	-	129,588,414
Default	-	-	-	-
Gross carrying amount	1,349,048,998	129,588,414	-	1,478,637,412
Loss allowance	-	-	-	-
Carrying amount	₱1,349,048,998	₱129,588,414	₱-	₱1,478,637,412

* 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 June 30, 2024 and 2023:

	2024		2023	
	Original Currency	Peso Equivalent	Original Currency	Peso Equivalent
Financial Assets				
Cash and cash equivalents	\$3,738,956	₱219,140,211	\$2,561,340	₱141,385,968
Due from related party	\$1,259,248	73,804,519	\$1,259,248	69,510,484
	\$4,998,204	₱292,944,730	\$3,820,588	₱210,896,452

As of June 30, 2024 and 2023, the exchange rates used were ₱58.61 and ₱55.20, 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		
June 30, 2024	₱14,647,237	(₱14,647,237)
June 30, 2023	₱10,544,823	(₱10,544,823)

31. 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, Restricted Cash and Placements, 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). The applicable risk-free rates used for long-term debts ranges from 6.49%-6.72% and 6.17%-6.22% as of June 30, 2024 and 2023, respectively.

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

	Carrying Value		Fair Value	
	2024	2023	2024	2023
Long-term debts	₱3,470,963,226	₱1,521,299,607	₱3,437,461,551	₱1,492,241,879

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.

	June 30, 2024			
	Fair Value as at December 31	Valuation Technique	Key Unobservable Inputs	Range (Weighted Average)
Long-term debts	₱3,470,963,226	Market comparable approach	Interest rate	6.49% to 6.77%



	June 30, 2023			
	Fair Value as at December 31	Valuation Technique	Key Unobservable Inputs	Range (Weighted Average)
Long-term debts	₱1,492,241,879	Market comparable approach	Interest rate	6.77%

32. 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 June 30, 2024 and 2023, the Group's total equity amounted to ₱4,296.62 million and ₱2,724.17 million, 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 18).

The Group considers the following as its core capital:

	2024	2023
Short-term loan	₱248,780,784	₱249,172,856
Long-term debts	3,470,963,226	1,521,299,607
Due to related parties	9,688,488	3,249,042
Capital stock	440,423,912	430,423,912
Additional paid-in capital	3,035,119,971	1,643,742,189
Retained earnings (deficit)	67,183,056	(568,660)
	₱7,272,159,437	₱3,847,318,946



33. Changes in Liabilities Arising from Financing Activities

	Short-term loan	Long-term debts - current portion	Long-term debts - noncurrent portion	Lease liabilities - current portion	Lease liabilities - noncurrent portion	Accrued interest	Dividends payable
June 30, 2024	(see Note 17)	(see Note 18)	(see Note 18)	(see Note 26)	(see Note 26)	(see Note 16)	(see Note 14)
Balances as of July 1, 2023	₱249,172,856	₱82,566,864	₱1,438,732,743	₱3,428,463	₱46,935,956	₱33,719,000	₱3,750,000
Cash flows:							
Proceeds from:							
Short-term debt	-	-	-	-	-	-	-
Long-term debt	-	-	1,480,000,000	-	-	-	-
Payments of:							
Short-term debt	-	-	-	-	-	-	-
Long-term debt	-	-	(30,797,354)	-	-	-	-
Interests	-	-	-	-	-	(12,915,312)	-
Leases	-	-	-	(8,421,053)	-	-	-
Dividends	-	-	-	-	-	-	(23,750,000)
Deferred financing charges	(1,849,315)	-	(26,660,521)	-	-	-	-
Cash restriction (see Note 7)	-	-	520,000,000	-	-	-	-
Recognition of lease	-	-	-	-	288,205,402	-	-
Accretion of interest expense	1,457,243	-	-	-	19,661,020	-	-
Amortization of deferred financing charges	-	-	5,940,497	-	-	-	-
Interest expense accrual	-	-	-	-	-	14,218,686	-
Dividend declaration	-	-	-	-	-	-	26,250,000
Translation adjustment	-	-	1,180,997	-	552,193	-	-
Reclassification to current	-	36,036,123	(36,036,123)	33,075,440	(33,075,440)	-	-
Balances as of June 30, 2024	₱248,780,784	₱118,602,987	₱3,352,360,239	₱28,082,850	₱322,279,131	₱35,022,374	₱6,250,000



		Long-term debts		Lease liabilities -			
	Short-term loan	Long-term debts	- noncurrent	Lease liabilities -	noncurrent	Accrued interest	Dividends
June 30, 2023	(see Note 17)	(see Note 18)	(see Note 18)	(see Note 26)	(see Note 26)	(see Note 16)	(see Note 14)
Balances as of July 1, 2022	₱92,650,373	₱57,810,359	₱1,248,824,823	₱2,883,913	₱47,035,794	₱17,464,239	₱18,750,000
Cash flows:							
Proceeds from:							
Short-term debt	250,000,000	-	-	-	-	-	-
Long-term debt	-	-	496,800,000	-	-	-	-
Payments of:							
Short-term debt	(94,250,000)	-	-	-	-	-	-
Long-term debt	-	-	(291,420,625)	-	-	-	-
Interests	-	-	-	-	-	(103,014,882)	-
Leases	-	-	-	(3,091,200)	-	-	-
Dividends	-	-	-	-	-	-	(23,750,000)
Deferred financing charges	(1,870,064)	-	-	-	-	-	-
Accretion of interest expense	1,599,627	-	-	-	-	-	-
Amortization of deferred financing charges	1,042,920	-	5,962,377	-	-	-	-
Interest expense accrual	-	-	-	-	-	80,597,920	-
Capitalized borrowing cost	-	-	388,142	-	3,331,602	37,699,469	-
Dividend declaration	-	-	-	-	-	-	8,750,000
Translation adjustment	-	1,548,950	1,385,581	11,803	192,507	972,254	-
Reclassification to current	-	23,207,555	(23,207,555)	3,623,947	(3,623,947)	-	-
Balances as of June 30, 2023	₱249,172,856	₱82,566,864	₱1,438,732,743	₱3,428,463	₱46,935,956	₱33,719,000	₱3,750,000



		Long-term debts		Lease liabilities -			
	Short-term loan	Long-term debts	- noncurrent	Lease liabilities -	noncurrent	Accrued interest	Advances from a
	(see Note 17)	(see Note 18)	portion	current portion	portion	(see Note 16)	third party
June 30, 2022	(see Note 17)	(see Note 18)	(see Note 18)	(see Note 26)	(see Note 26)	(see Note 16)	(see Note 16)
Balances as of January 1, 2022	₱91,077,895	₱-	₱148,602,470	₱-	₱-	₱1,631,582	₱-
Cash flows:							
Proceeds from:							
Long-term debts	-	-	577,365,000	-	-	-	-
Advances from a third party	-	-	-	-	-	-	214,000,000
Payments of:							
Interests	-	-	-	-	-	(4,980,366)	-
Deferred financing charges	-	-	(32,668,315)	-	-	-	-
Step acquisition to a subsidiary (see Note 13)	-	53,845,260	558,961,961	-	-	9,024,474	-
Recognition of leases (see Note 24)	-	-	-	-	46,827,508	-	-
Accretion of interest expense	3,172,105	-	-	-	-	-	-
Day 1 gain on note payable	(1,599,627)	-	-	-	-	-	-
Amortization of deferred financing charges	-	-	246,855	-	-	-	-
Interest expense accrual	-	-	-	-	-	7,323,698	-
Capitalized borrowing cost	-	-	388,142	-	-	4,818,752	-
Tax withheld	-	-	-	-	-	(353,901)	-
Translation adjustment	-	-	(106,191)	-	2,298,500	-	-
Reclassification to current	-	3,965,099	(3,965,099)	2,883,913	(2,883,913)	-	-
Balances as of June 30, 2022	₱92,650,373	₱57,810,359	₱1,248,824,823	₱2,883,913	₱46,242,095	₱17,464,239	₱214,000,000



34. 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.

SSAI has recognized project development costs amounting to ₱80.80 million and ₱34.46 million, as of June 30, 2024 and 2023, respectively. 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 ₱187.59 million and ₱171.32 million for the years ended June 30, 2024 and 2023, respectively, and ₱9.33 million for the six-month period ended June 30, 2022.

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, thus recognizing commissioning income amounting to ₱12.19 million. 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 ₱75.12 million for the year ended June 30, 2024 (see Note 21).

Assets arising from the PPA amounting to ₱1,411.37 million and ₱1,165.15 million as at June 30, 2024 and 2023, respectively, had been mortgaged as security for SPPP's loan (see Note 18).

- *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	Kiangnan Mini Hydro Project	Asin, Kiangnan Ifugao
HSC 2013-06-261	Kiangnan Mini Hydro Project	Ibulao I, Kiangnan, Ifugao
HSC 2013-06-262	Ibulao Mini Hydro Project	Ibulao II, Kiangnan, Ifugao
HSC 2013-06-263	Kiangnan Mini Hydro Project	Hungduan, Kiangnan, Ifugao
HSC 2013-06-264	Lamut-Asipulo Mini Hydro Project	Lamut, Kiangnan, 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 Kiangnan 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.

IMHC

In accordance with the PDA between AMHHC and ELC, IMHC was established on April 19, 2016 to further develop and operate the Ibulao Mini Hydro Project under HSC 2013-06-262.



- *Assignment of Projects to IMHC.* On November 26, 2013, AMHHC entered into a Deed of Assignment of Project Assets with ELC whereby ELC transfers, conveys and assigns all its assets and liabilities in relation HSC 2013-06-262. ELC shall ensure that all rights and benefits under existing contract in respect of the HSC shall redound to the benefit of the special purpose company to which the contract shall be designated.

On November 16, 2016, the DOE approved the assignment and issued certificate of registration to IMHC for HSC 2013-06-262 pursuant to the Deed of Assignment mentioned above.

- *Declaration and Confirmation of Commerciality.* On December 7, 2015, AMHHC and ELC declared the commerciality of HSC 2013-06-262 which was confirmed by the DOE on May 27, 2016 under the name of ELC.

IMHC has not commenced the construction of the Project and has not started commercial operations as of September 25, 2024.

IMHC has recognized project development costs amounting to ₱38.72 million and ₱34.46 million, as of June 30, 2024 and 2023, respectively, which has been fully-impaired as of June 30, 2024.

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.

LAMHC has recognized project development costs amounting to ₱94.96 million and ₱80.89 million as of June 30, 2024 and 2023, respectively. As of September 24, 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. As such, project development costs amounting to ₱296.88 million was reclassified to construction in progress (see Note 12).

- *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. As such, project development cost amounting to ₱370.78 million was reclassified to construction in progress (see Note 12).

- *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.

35. 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:

- a) 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;
- b) 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;
- c) 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



- d) 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:

- i. 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;
- ii. 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;
- iii. 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;
- iv. 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.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
Alternergy Holdings Corporation
Level 3B, 111 Paseo de Roxas Building
Paseo de Roxas corner Legazpi Street
Legaspi Village, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Alternergy Holdings Corporation and Subsidiaries (collectively, the Group) as at June 30, 2024 and 2023 and for the years ended June 30, 2024 and 2023, and six-month period ended June 30, 2022, and have issued our report thereon dated September 25, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Leovina Mae V. Chu

Partner

CPA Certificate No. 99910

Tax Identification No. 209-316-911

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-096-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079918, January 5, 2024, Makati City

September 25, 2024



ALTERENERGY HOLDINGS CORPORATION AND SUBSIDIARIES

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

Schedule	Contents
<i>Index to the Financial Statements</i>	
I	Map Showing the Relationships Between and Among the Companies in the Group
II	Reconciliation of Retained Earnings Available for Dividend Declaration
III	Financial Soundness Indicators
<i>Supplementary Schedules</i>	
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related parties)
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
D	Long-Term Debt
E	Indebtedness to Related Parties (<i>not applicable</i>)
F	Guarantees of Securities of Other Issuers (<i>not applicable</i>)
G	Capital Stock

ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES**SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J****PURSUANT TO REVISED SRC RULE 68****JUNE 30, 2024**

Schedule A. Financial Assets

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position	Income Received and Accrued
Cash and cash equivalents*		₱2,558,617,534	₱48,654,523
Trade and other receivables	-	145,554,089	-
Restricted cash and placements	-	753,507,819	4,982,284
Due from related parties	-	575,160,491	-
Total	-	₱4,032,839,933	₱53,636,807

* Excluding cash on hand

ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES**SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J****PURSUANT TO REVISED SRC RULE 68****JUNE 30, 2024**

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off*	Current	Not Current	Balance at the End of Period
SWPC	₱69,511,084	₱4,294,035	₱-	₱-	₱73,805,119	₱-	₱73,805,119
APIC	46,454,080	590,000	-	-	47,044,080	-	47,044,080
DMHC	-	170,303,557	-	-	170,303,557	-	170,303,557
KMHC	-	208,692,660	-	-	208,692,660	-	208,692,660
VHC	3,328,000	-	-	-	3,328,000	-	3,328,000
NAPI	6,110,400	58,896,619	110,400	-	64,898,619	-	64,898,619
KTEC	2,178,326	150,000	-	-	2,328,326	-	2,328,326
SPCC	1,178,543	216,763	-	-	1,395,306	-	1,395,306
APHC	490,940	1,977,084	-	-	2,468,024	-	2,468,024
CPWPC	261,658	370,000	-	-	631,658	-	631,658
TSOWPC	36,768	13,044	-	-	49,812	-	49,812
ASHC	-	107,665	-	-	107,665	-	107,665
TPLC	-	107,665	-	-	107,665	-	107,665
OSPC	38,615	-	-	38,615	-	-	-
Total	₱129,588,414	₱445,719,092	₱110,400	₱38,615	₱575,160,491	₱-	₱575,160,491

ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
PURSUANT TO REVISED SRC RULE 68
JUNE 30, 2024
Schedule C. Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements

DEDUCTIONS							
Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not current	Balance at End of Period
AHC	₱2,375,000	₱-	₱2,375,000	₱-	₱-	₱-	₱-
AMHHC	163,891,745	368,379,252	-	-	532,270,997	-	532,270,997
AWHC	16,853,933	2,175,178,397	-	2,192,032,330	-	-	-
ATWC	207,794,614	101,621,214	309,415,828	-	-	-	-
AHPC	40,952,604	333,000	-	-	41,285,604	-	41,285,604
LAMHC	42,554,983	95,461	-	-	42,650,444	-	42,650,444
IMHC	37,534,860	8,314,735	-	-	45,849,595	-	45,849,595
SSAI	139,119,662	40,575,664	-	-	179,695,326	-	179,695,326
SPEC	1,536,707	285,250	-	-	1,821,957	-	1,821,957
KSEC	-	886,413	-	-	886,413	-	886,413
AWPC	19,155	146,226,409	146,245,564	-	-	-	-
ADIWPC	19,193	217,329	-	-	236,522	-	236,522
SPPPI	1,117,800	-	232,625	-	885,175	-	885,175
SSPC	67,542	91,464	-	-	159,006	-	159,006
LSEC	4,454,485	56,779,922	-	-	61,234,407	-	61,234,407
LREC	16,200	169,157	-	-	185,357	-	185,357
OSPC	-	4,120,827	-	-	4,120,827	-	4,120,827
GESSI	-	1,502,115	-	-	1,502,115	-	1,502,115
Total	₱658,308,483	₱2,904,776,609	₱458,269,017	₱2,192,032,330	₱912,783,745	₱-	₱912,783,745

ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES**SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J****PURSUANT TO REVISED SRC RULE 68****JUNE 30, 2024****Schedule D. Long-term Debt**

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown under Caption 'Current Position of Long-term Debt' in Related Statement of Financial Position	Amount Shown under Caption 'Long-Term Debt' in Related Statement of Financial Position			
			Amount	Interest Rate	Repayment	Maturity Date
Banco de Oro Unibank Inc. ("BDO") Rizal Commercial Banking Corporation ("RCBC")	₱2,000,000,000	₱–	₱2,000,000,000	8.5312%	Semi-annual	28-May-32
Export Finance Australia ("EFA")	562,067,460	69,407,661	499,178,793	6.84%	Semi-annual	12-Mar-30
Less: Deferred Financing Charges	993,600,000	49,195,326	1,028,605,500	4.55%	Semi-annual	14-Oct-38
			56,821,067			
Total	₱3,555,667,460	₱118,602,987	₱3,470,963,226			

ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J

PURSUANT TO REVISED SRC RULE 68

JUNE 30, 2024

Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
	- Not applicable -	

ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J

PURSUANT TO REVISED SRC RULE 68

JUNE 30, 2024

Schedule F. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the Group for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by a person for which statement is filed	Nature of guarantee
- Not applicable -				

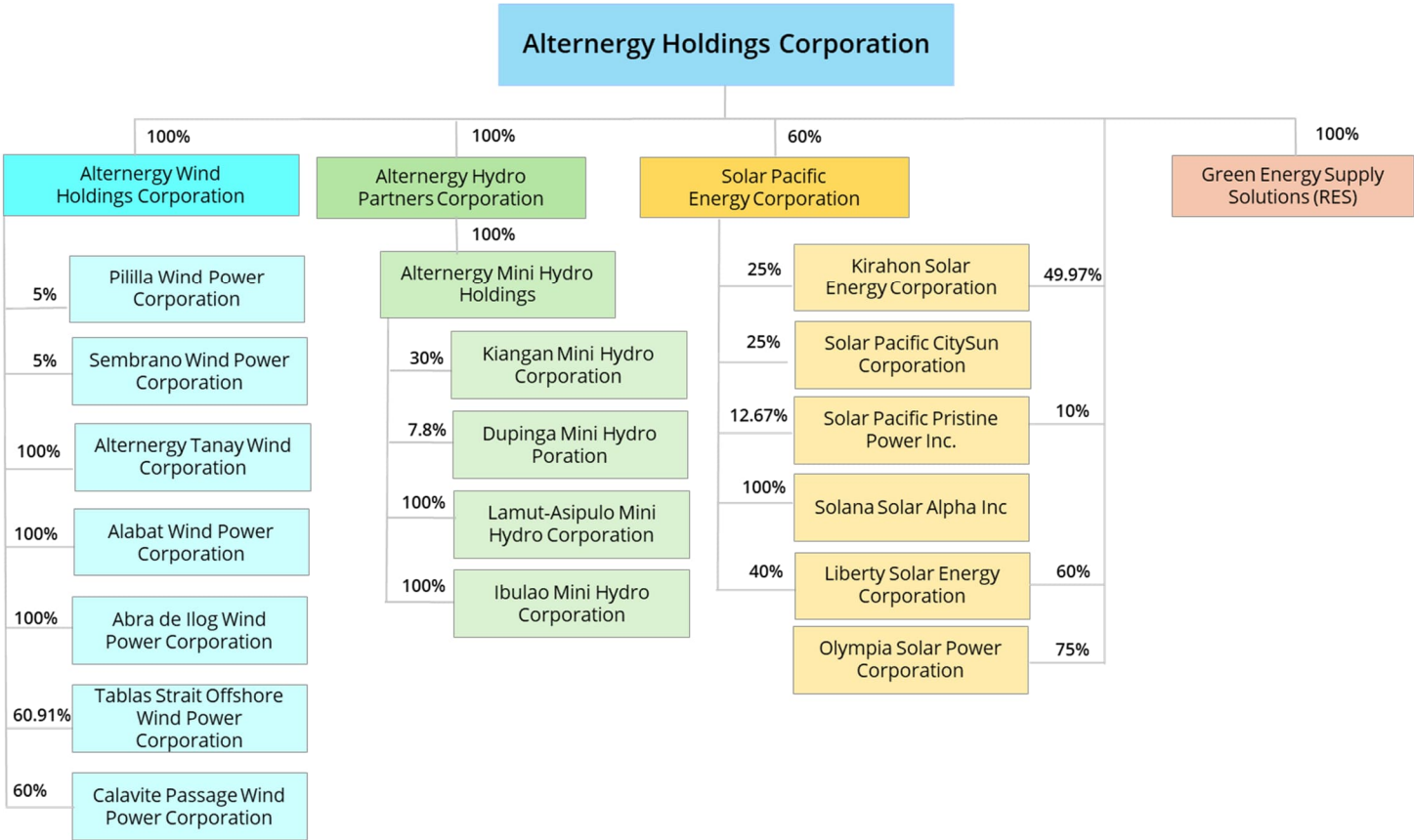
ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES**SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J****PURSUANT TO REVISED SRC RULE 68****JUNE 30, 2024****Schedule G. Capital Stock**

Title of issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown under Related Statement of Financial Position Caption	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by Related Parties	Number of Shares Held by Directors, Officers and Employees	Others
Redeemable Preferred Shares 1	1,181,594,548	370,398,637	-	370,398,637	-	-
Redeemable Preferred Shares 2 – Series A	100,000,000	100,000,000	-	-	-	100,000,000
Redeemable Preferred Shares 2 – Series B	100,000,000	-	-	-	-	-
Redeemable Preferred Shares 2 – Series C	100,000,000	-	-	-	-	-
Common Shares	10,406,291,160	3,933,840,480	-	1,700,386,338	96,280,765	2,137,173,377
Total	11,887,885,708	4,404,239,117	-	2,070,784,975	96,280,765	2,237,173,377

ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES

CORPORATE STRUCTURE

JUNE 30, 2024



INDEPENDENT AUDITOR'S REPORT COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
Alternergy Holdings Corporation
Level 3B, 111 Paseo de Roxas Building
Paseo de Roxas corner Legazpi Street
Legaspi Village, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Alternergy Holdings Corporation and its subsidiaries (collectively, the Group) as at June 30, 2024 and 2023 and for the years ended June 30, 2024 and 2023, and six-month period ended June 30, 2022, and have issued our report thereon dated September 25, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at June 30, 2024 and 2023 and for the years ended June 30, 2024 and 2023, and six-month period ended June 30, 2022 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Leovina Mae V. Chu
Partner

CPA Certificate No. 99910

Tax Identification No. 209-316-911

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-096-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079918, January 5, 2024, Makati City

September 25, 2024



ALTERENERGY HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION
FOR THE YEAR ENDED JUNE 30, 2024

Items	Amount
Unappropriated Retained Earnings, Beginning	₱29,431,739
Adjustments:	
Movement in deferred income tax assets that reduced the amount of income tax expense and increased net income	–
Cumulative equity in income of joint ventures	–
Adjusted Unappropriated Retained Earnings, Beginning	29,431,739
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings appropriation/s	₱–
Effect of restatements or prior-period adjustments	–
Others	–
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	–
Retained Earnings appropriated during the reporting period	–
Effect of restatements or prior-period adjustments	–
Others	–
Unappropriated Retained Earnings, as adjusted	29,431,739
Add: Net Income for the current year	44,085,280
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	–
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	4,592,292
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–
Unrealized fair value gain of investment property	–
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–
Subtotal	4,592,292

Items	Amount
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to cash and cash equivalents	5,250,270
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Realized fair value gain of investment property	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-
Subtotal	3,937,703
Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain of investment property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-
Subtotal	-
Adjusted Net Income	43,430,691
Add: Category D: Non-actual loss recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	-
Subtotal	-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others	-
Subtotal	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-

Items	Amount
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others	-
Subtotal	-
TOTAL RETAINED EARNINGS, END OF THE YEAR FOR DIVIDEND DECLARATION	₱72,862,430

ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**

Ratio	Formula	June 30, 2024	June 30, 2023
Current ratio ⁽¹⁾	Dividing total current assets over total current liabilities	4.99	2.47
Acid test ratio	Dividing quick assets by the current liabilities	4.96	2.08
Solvency ratio	Dividing net income excluding depreciation over total debt obligations	0.06	0.04
Debt-to-equity ratio ⁽²⁾	Dividing total interest-bearing debts over stockholders' equity	0.87	0.66
Asset-to-equity ratio ⁽³⁾	Dividing total assets over total stockholders' equity	2.03	1.79
Interest rate coverage ratio	Dividing earnings before interest and taxes of one period over interest expense of the same period	2.75	1.54
Return on equity (%) ⁽⁴⁾	Dividing the net income (annual basis) by total stockholders' equity (average)	3.69%	1.97%
Return on assets (%) ⁽⁵⁾	Dividing the net income (annual basis) by the total assets (average)	1.90%	0.91%
Net profit margin (%)	Dividing net income by the total revenue	47.13%	19.66%
EBITDA margin (%)	Dividing the EBITDA by the total revenue	116.56	93.00%

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.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

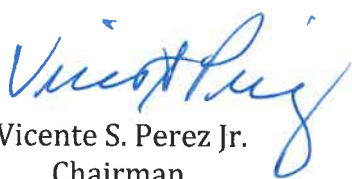
The management of **Alternergy Holdings Corporation** (the Parent Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of June 30, 2024 and 2023, and for the fiscal year ended June 30, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Sycip, Gorres, Velayo and Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.


Vicente S. Perez Jr.
Chairman
Gerry P. Magbanua
President

Maria Carmen DG Diaz
Chief Finance Officer

SEP 25 2024

Signed this _____ day of _____ 2024



Louie Pangilinan <louieavpc@gmail.com>

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eafs@bir.gov.ph <eafs@bir.gov.ph>
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Cc: LOUIEAVPC@gmail.com

Wed, Sep 25, 2024 at 9:01 PM

Hi ALTERNERGY HOLDINGS CORPORATION FOR'LY ALTERNERGY VIENTO PARTNERS CORP.,

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Company TIN: **007-315-916**

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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September 25, 2024 9:01:40 PM	RPT	EAFS007315916RPPTY062024.pdf	1.654150	4	✓
September 25, 2024 9:01:40 PM	AFS	EAFS007315916AFSTY062024.pdf	0.414574	40	✓

[← Back](#)

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

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

A	A	F	S

Department requiring the report

C	R	M	D

Secondary License Type, If Applicable

N	/	A	

COMPANY INFORMATION

Parent Company's Email Address

contact@alternergy.com

Parent Company's Telephone Number

(632) 8813-4678

Mobile Number

N/A

No. of Stockholders

Annual Meeting (Month / Day)

**Second Wednesday of
December**

Fiscal Year (Month / Day)

6/30

CONTACT PERSON INFORMATION

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

Name of Contact Person

Maria Carmen DG. Diaz

Email Address

carmen.diaz@alternergy.com

Telephone Number/s

(632) 8813-4678

Mobile Number

N/A

CONTACT PERSON's ADDRESS

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



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Alternergy Holdings Corporation
Level 3B, 111 Paseo de Roxas Building
Paseo de Roxas corner Legazpi Street
Legaspi Village, Makati City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the accompanying parent company financial statements of Alternergy Holdings Corporation (the Parent Company) which comprise the parent company statements of financial position as at June 30, 2024 and 2023, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Parent Company as at June 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of these parent company financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parent Company or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Parent Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 18 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic parent company financial statements. Such information is the responsibility of the management of Alternergy Holdings Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic parent company financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Leovina Mae V. Chu

Partner

CPA Certificate No. 99910

Tax Identification No. 209-316-911

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-096-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079918, January 5, 2024, Makati City

September 25, 2024



ALTERNERGY HOLDINGS CORPORATION
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	June 30	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	₱1,228,855,991	₱850,266,607
Receivables (Note 7)	35,409,713	18,785,744
Restricted cash (Note 6)	184,842,666	—
Due from related parties (Note 13)	868,013,961	523,147,120
Other current assets	127,500	1,292,500
Total Current Assets	2,317,249,831	1,393,491,971
Noncurrent Assets		
Investments in subsidiaries (Note 8)	3,108,545,037	908,992,314
Restricted cash (Note 6)	335,157,334	—
Other noncurrent assets	9,042,291	1,643,765
Total Noncurrent Assets	3,452,744,662	910,636,079
TOTAL ASSETS	₱5,769,994,493	₱2,304,128,050
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loan (Note 10)	₱248,780,784	₱249,172,856
Accounts payable and accrued expenses (Note 9)	27,739,504	19,963,319
Income tax payable	231,560	14,678
Due to related parties (Note 13)	—	3,082,636
Total Current Liabilities	276,751,848	272,233,489
Noncurrent Liability		
Long-term debt (Note 11)	1,973,613,482	—
Total Liabilities	2,250,365,330	272,233,489
Equity (Note 12)		
Capital stock	440,423,912	430,423,912
Additional paid-in capital	3,035,119,971	1,643,742,189
Retained earnings (Deficit)	44,085,280	(42,271,540)
Total Equity	3,519,629,163	2,031,894,561
TOTAL LIABILITIES AND EQUITY	₱5,769,994,493	₱2,304,128,050

See accompanying Notes to Parent Company Financial Statements.



ALTERNERGY HOLDINGS CORPORATION**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended June 30	
	2024	2023
INCOME		
Dividend income (Note 8)	₱57,477,500	₱17,489,500
Interest income (Note 6)	39,262,936	5,976,689
Net foreign exchange gains	12,450,785	4,109,641
	109,191,221	27,575,830
EXPENSES		
Interest expense (Notes 10 and 11)	34,701,718	40,922,068
Professional fees	15,865,446	9,897,435
Outside services	2,826,903	2,430,038
Taxes and licenses	2,805,205	1,983,745
Advertising and promotions	2,243,794	2,468,843
Subscription expense	1,640,774	95,016
Listing fees (Note 1)	1,363,912	3,930,644
Impairment losses on input value added tax (VAT)	—	5,437,073
Others	3,426,629	2,667,820
	64,874,381	69,832,682
INCOME (LOSS) BEFORE INCOME TAX	44,316,840	(42,256,852)
PROVISION FOR CURRENT INCOME TAX (Note 14)	231,560	14,678
NET INCOME (LOSS)	44,085,280	(42,271,530)
OTHER COMPREHENSIVE INCOME	—	—
TOTAL COMPREHENSIVE INCOME (LOSS)	₱44,085,280	(₱42,271,530)
Basic/Diluted Income (Loss) per Share (Note 15)	₱0.01	(₱0.02)

See accompanying Notes to Parent Company Financial Statements.



ALTERENERGY HOLDINGS CORPORATION

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 12)		Additional Paid-in Capital (Note 12)	Deposit for Future Stock Subscription (Note 12)	Retained Earnings (Deficit) (Note 12)	Total
	Common	Preferred				
Balances at July 1, 2023	₱393,384,048	₱37,039,864	₱1,643,742,189	₱—	(₱42,271,540)	₱2,031,894,561
Issuance of stock						
Issuance of new stock (Note 1)	—	10,000,000	1,440,000,000	—	—	1,450,000,000
Share issuance costs (Note 1)	—	—	(6,350,678)	—	—	(6,350,678)
Quasi-reorganization	—	—	(42,271,540)	—	42,271,540	—
Total comprehensive income	—	—	—	—	44,085,280	44,085,280
Balances at June 30, 2024	₱393,384,048	₱47,039,864	₱3,035,119,971	₱—	₱44,085,280	₱3,519,629,163
Balances at July 1, 2022	₱21,349	₱15,000	₱440,865,245	₱297,879,779	(₱245,320,071)	₱493,461,302
Issuance of stock						
Issuance of new stock (Note 1)	393,362,699	37,024,864	1,521,086,681	(297,172,143)	—	1,654,302,101
Share issuance costs (Note 1)	—	—	(72,889,676)	—	—	(72,889,676)
Return of deposit for future stock subscription	—	—	—	(707,636)	—	(707,636)
Quasi-reorganization	—	—	(245,320,061)	—	245,320,061	—
Total comprehensive loss	—	—	—	—	(42,271,530)	(42,271,530)
Balances at June 30, 2023	₱393,384,048	₱37,039,864	₱1,643,742,189	₱—	(₱42,271,540)	₱2,031,894,561

See accompanying Notes to Parent Company Financial Statements.



ALTERNERGY HOLDINGS CORPORATION

PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	₱44,316,840	(₱42,256,852)
Adjustments for:		
Dividend income (Note 8)	(57,477,500)	(17,489,500)
Interest income (Note 6)	(39,262,936)	(5,976,689)
Interest expense (Notes 10 and 11)	34,701,718	37,803,766
Net unrealized foreign exchange gains	(6,123,056)	(2,641,861)
Amortization of deferred transaction costs (Note 10)	1,457,242	4,161,222
Impairment losses on input VAT	–	5,437,073
Operating loss before changes in working capital	(22,387,692)	(20,962,841)
Decrease (increase) in:		
Receivables (Note 7)	10,719,789	(11,290,244)
Input VAT	(4,593,804)	(5,437,073)
Other current assets	1,165,000	(1,209,755)
Decrease in accounts payable and accrued expenses (Note 9)	(2,075,916)	(56,219,893)
Net cash used in operations	(17,172,623)	(95,119,806)
Interest received	36,916,178	5,976,689
Income tax paid	(14,678)	–
Net cash flows from (used in) operating activities	19,728,877	(89,143,117)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Investments in subsidiaries (Note 8)	(2,199,607,329)	(36,218,536)
Due from related parties (Note 13)	(338,803,893)	(200,151,842)
Computer software	(2,804,722)	(1,643,765)
Dividends received (Note 8)	32,480,500	–
Proceeds from divestment of a subsidiary (see Note 8)	54,606	–
Payment to a subsidiary's former shareholder	–	(279,771,496)
Net cash flows used in investing activities	(2,508,680,838)	(517,785,639)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Availment of long-term debt (Note 11)	1,480,000,000	–
Issuance of shares of stock (Note 12)	1,450,000,000	1,654,302,101
Availment of short-term loan (Note 10)	–	250,000,000
Payments of:		
Deferred transaction costs (Note 10)	(28,235,832)	(1,870,064)
Interest	(24,849,617)	(22,455,838)
Share issuance costs	(6,350,678)	(72,889,676)
Amounts due to related parties (Note 13)	(3,082,636)	(186,760,896)
Long-term debt (Note 11)	–	(233,715,983)
Net cash flows from financing activities	2,867,481,237	1,386,609,644
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	60,108	(289,385)
NET INCREASE IN CASH AND CASH EQUIVALENTS	378,589,384	779,391,503
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	850,266,607	70,875,104
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱1,228,855,991	₱850,266,607

See accompanying Notes to Parent Company Financial Statements.



ALTERNERGY HOLDINGS CORPORATION

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

Alternergy Holdings Corporation (“AHC” or 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 Parent Company 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.

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 parent company financial statements as at and for the years ended June 30, 2024 and 2023 were approved and authorized for issuance by the BOD on September 25, 2024.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The accompanying parent company financial statements have been prepared using the historical cost basis and are presented in Philippine Peso (₱), which is also the Parent Company’s functional currency. All amounts are rounded to the nearest peso unless otherwise indicated.

The financial statements of the Parent Company have been prepared under the going concern assumption.



Statement of Compliance

The Parent Company financial statements have been prepared in compliance with the Philippine Financial Reporting Standards (PFRSs) as issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the Philippine SEC.

The Parent Company prepares consolidated financial statements, which are in compliance with PFRSs, and files the same with the Philippine SEC. A copy of the consolidated financial statements of the Parent Company can be obtained from its business address and the Philippine SEC.

3. Changes in Accounting Policies and Disclosures

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments to existing standards effective July 1, 2023. The Parent Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Adoption of these amendments did not have an impact on the parent company financial statements.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to the Practice Statement provide non-mandatory guidance.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).



- Amendments to PAS 12, *International Tax Reform - Pillar Two Model Rules*

The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development, including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after January 1, 2023.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Parent Company intends to adopt the following pronouncements when they become effective. The Parent Company is currently assessing the impact of the pronouncements on its consolidated financial statements.

Effective beginning on or after July 1, 2023

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after July 1, 2024

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of Exchangeability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

4. Summary of Material Accounting Policies

Current versus Noncurrent Classification

The Parent Company presents assets and liabilities in the parent company statement of the financial position based on the current/noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;



- Expected to be realized within 12 months after the reporting period; or
- Cash unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Parent Company classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (“FVOCI”), and fair value through profit or loss (“FVTPL”).

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Parent Company’s business model for managing them.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are “solely payments of principal and interest” (“SPPI”) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Parent Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of holding to collect contractual cash flows and selling.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in four (4) categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)



- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial Assets at Amortized Cost (Debt Instruments). This category is the most relevant to the Parent Company. The Parent Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Impairment of Financial Assets. The Parent Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Parent Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Parent Company assesses at each reporting date whether there is an objective evidence that a financial or group of financial asset is impaired. A financial asset or a group of financial assets is deemed to be impaired, if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or a group of financial assets that can be reliably estimated. Objective evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Objective pieces of evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Parent Company triggers its assessment whether its financial asset is in default when contractual payments are past due. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal or external information indicates that the Parent Company is



unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company.

Write-offs. A financial asset together with the associated allowance is written off either partially or in their entirety when there is no realistic prospect of future recovery and all collaterals has been realized or has been transferred to the Parent Company.

Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the parent company statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Parent Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Parent Company has transferred substantially all the risks and rewards of the asset, or (b) the Parent Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Parent Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Parent Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Parent Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Parent Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Parent Company could be required to repay.

Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition as financial liabilities at FVTPL, loans and borrowings and payables as appropriate.

All financial liabilities are recognized initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement - Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statements of income.

Other financial liabilities is applied for those issued financial liabilities or their components where the substance of the contractual arrangement results in the Parent Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the



exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares, which are not designated as financial liabilities at FVTPL.

Derecognition. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Fair Value Measurement

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Parent Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Parent Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Parent Company's financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the parent company financial statements on a recurring basis, the Parent Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Parent Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the parent company statement of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Parent Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Parent Company and all of the counterparties.

Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise of cash on hand and in banks, and short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. They are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Restricted Cash

Restricted cash represents cash in bank earmarked for long-term debt principal and interest repayment maintained in compliance with loan agreement.

Value-added Tax ("VAT")

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

Investments in Subsidiaries

The Parent Company's investments in subsidiaries are accounted for under the cost method. Under the cost method, the investments are carried in the parent company statement of financial position at cost less any impairment in value. A subsidiary is an entity in which the Parent Company has control.

Control is achieved when the Parent Company 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 Parent Company controls an investee if and only if, the Parent Company has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, the presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Parent Company's voting rights and potential voting rights



The Parent Company re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to or more of the three elements of control.

The Parent Company recognizes income from the investment only to the extent that the Parent Company receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as recovery of investment and are recognized as a reduction of the cost of the investment.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as of the date of acquisition. The intangible assets arising from the business combination are recognized initially at fair values.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and any impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized using the straight-line method over the estimated useful economic life, and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization shall begin when the asset is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortization period and method for an intangible asset with a finite useful life are reviewed at least each financial reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the said intangible asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash generating unit (“CGU”) level. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made prospectively.

Impairment of Nonfinancial Assets

The Parent Company assesses at each reporting date whether there is an indication that its nonfinancial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Parent Company estimates these nonfinancial assets’ recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Impairment losses from continuing operations are recognized in profit or loss.



An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Parent Company makes an estimate of recoverable amount. Any previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company statement of comprehensive income.

Capital Stock and Additional Paid-in Capital

Capital stock is measured at par value and is classified as equity for all shares issued. When the Parent Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account in the statement of financial position. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Parent Company, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Share issuance costs are incremental costs directly attributable to the issuance or subscription of shares which are shown as a deduction from additional paid-in capital. If additional paid-in capital is not sufficient, the excess is charged against the "Equity reserve" account. Costs that are not incremental or directly attributable to the issuing new shares are recorded as expense in the parent company statement of comprehensive income.

Retained Earnings (Deficit)

Retained earnings (deficit) includes accumulated earnings and loss of the Parent company reduced by dividends on capital stock. Dividends on capital stock are recognized as a liability and deducted from equity when they are approved by the BOD. Dividends for the year that are approved after the financial reporting date are dealt with as an event after the financial reporting date. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Revenue Recognition

Revenue is recognized when it satisfies an identified performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. The Parent Company determines, at contract inception, whether it will transfer control of a promised good or service over time. If the Parent Company does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

Revenue Outside the Scope of PFRS 15, Revenue from Contracts with Customers

The following specific recognition criteria must also be met before revenue is recognized:

Interest Income

For all financial instruments measured at amortised cost and interest-bearing financial assets, interest income is recorded using the EIR method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or shorter period, where appropriate, to the net amount of the financial asset or liability. Interest income is recognized in the statement of comprehensive income.



Dividend Income

Dividend income is recognized when the Parent Company's right to receive the payment is established, which is generally when shareholders of the investees approve the dividend.

Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when the services are used or the expenses arise.

Income Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Parent Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the parent company statement of comprehensive income.

Deferred Income Tax

Deferred income tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in shares of stock, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in shares of stock, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are re-



assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Foreign Currency Transactions

The parent company financial statements are presented in Philippine Peso, which is the functional and presentation currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of the reporting period. All differences are taken to profit or loss.

Events after the Financial Reporting Date

Post year-end events that provide additional information about the Parent Company's financial position at the end of reporting date (adjusting event) are reflected in the parent company financial statements. Post year-end events that are not adjusting events are disclosed in the notes to parent company financial statements when material.

5. Significant Accounting Judgment and Estimates

The parent company financial statements prepared in accordance with PFRSs require management to make judgments and estimates that affect amounts reported in the parent company financial statements and related notes. The judgment and estimates used in the parent company financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the parent company financial statements. Actual results could differ from such estimates.

Judgment and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following items are those matters which the Parent Company has assessed to have significant risks arising from estimation uncertainties:

Judgment

Determination of Control over an Investee

Control is presumed to exist when the Parent Company 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. Management has determined that by virtue of its majority ownership in its subsidiaries as of June 30, 2024 and 2023, the Parent Company has the ability to exercise control over these investees (see Note 1).



While the Parent Company directly owns less than 50% of the voting rights in Solar Pacific Pristine Power Inc. (SPPP), the Parent Company controls SPPP by virtue of its control over SolarPacific Energy Corporation (SPEC). The latter is a subsidiary of AHC and SPEC has 51% voting interest in SPPP. Both the Parent Company and SPEC have majority representation in SPPP's BOD as designated in the shareholder's agreement. Furthermore, the Parent Company's approval is required for all major operational decisions through its control in SPEC (see Note 8).

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provision for Expected Credit Losses on Cash and Cash Equivalents, Receivables and Due from Related Parties

ECL on cash and cash equivalents, receivables, restricted cash and due from related parties is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. The Parent Company considers the probability of its counterparty to default its obligation and the expected loss at default after considering the effects of collateral, any potential value when realized and time value of money.

The assumptions underlying the ECL calculation are monitored and reviewed at every reporting period.

The Parent Company incorporates a forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. To do this, management considered a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs.

No provision for ECL on cash and cash equivalents, receivables, restricted cash and due from related parties were recognized for the years ended June 30, 2024 and 2023. The aggregate carrying values of cash, receivables, restricted cash and due from related parties amounted to ₱2,652.28 million and ₱1,392.20 million as of June 30, 2024 and 2023, respectively (see Notes 6, 7 and 13).

Estimating Impairment of Investments in Subsidiaries

The Parent Company performs an impairment review on its investments in subsidiaries whenever an impairment indicator exists. This requires an estimation of the value in use of the investments. Estimating the value in use requires the Parent Company to make an estimate of the expected future cash flows of the investments and to make use of a suitable discount rate to calculate the present value of those future cash flows. Management has determined that there are no events or circumstances for the years ended June 30, 2024 and 2023 that may indicate that the carrying amounts of the investments in subsidiaries are not recoverable. Thus, no impairment loss was recognized for the years ended June 30, 2024 and 2023. The carrying amount of the investments in subsidiaries amounted to ₱3,108.55 million and ₱908.99 million as of June 30, 2024 and 2023, respectively (see Note 8).

Estimating the Realizability of Deferred Income Tax Asset

Deferred income tax asset is recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable income will be available in the future against which the deductible temporary differences can be utilized. Significant management estimate is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies. The Parent Company did



not recognize deferred income tax assets on deductible temporary differences on carryforward benefits of unused net operating loss carryover (NOLCO), unrealized foreign exchange loss and excess minimum corporate income tax (MCIT) amounting to ₱164.26 million and ₱112.40 million as of June 30, 2024 and 2023, respectively (see Note 14).

6. Cash and Cash Equivalents and Restricted Cash

a. Cash and Cash Equivalents

	2024	2023
Cash in banks	₱478,855,991	₱222,999,500
Cash equivalents	750,000,000	627,267,107
	₱1,228,855,991	₱850,266,607

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 Parent Company and earn interest at the respective short-term investment rates including short-term time deposits.

b. Restricted Cash

Restricted cash amounting to ₱184.84 million as of June 30, 2024 pertain to debt service payment account which is periodically maintained in the Parent Company's project trust account set aside for principal and interest payments of long-term debt (see Note 11). Restricted cash amounting to ₱335.16 million as of June 30, 2024 is presented as noncurrent asset in the 2024 parent company statement of financial position.

Total interest earned from cash and cash equivalents and restricted cash amounted to ₱39.26 million and ₱5.98 million for the years ended June 30, 2024 and 2023, respectively.

7. Receivables

	2024	2023
Dividends receivable (see Note 8)	₱32,492,500	₱7,495,500
Receivable from stabilization agent	—	9,083,039
Other receivables	2,917,213	2,207,205
	₱35,409,713	₱18,785,744

Receivable from stabilization agent pertain to the unused funds provided by the Parent Company to a stabilization agent during the IPO. The receivable from the stabilization agent was subsequently collected in July 2023.

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



8. Investments in Subsidiaries

The Parent Company's investments in shares of stock consist of interests in the following entities as of June 30, 2024 and 2023:

	Nature of Business	Percentage of Ownership				2024	2023
		Direct	Indirect	Direct	Indirect		
Alternergy Wind Holdings Corporation (AWHC) ^{(A) (B)}	Investment holding	100	—	100	—	₱2,500,544,624	₱308,512,294
Kirahon Solar Energy Corporation (KSEC)	Power generation	50	15	50	15	522,186,500	522,186,500
Solar Pacific Pristine Power Inc. (SPPP) ^(C)	Power generation	10	12	10	12	39,260,000	39,260,000
SolarPacific Energy Corporation (SPEC)	Power generation	60	—	60	—	35,478,919	35,478,919
Green Energy Supply Solutions Inc. (GESSI) ^(F)	Retail energy supplier	100	—	100	—	10,000,000	2,500,000
Liberty Solar Energy Corporation (LSEC) ^{(D) (F)}	Power generation	60	—	60	—	975,000	975,000
Olympia Solar Power Corporation (OSPC) ^{(E) (F)}	Power generation	75	—	—	—	74,999	—
Alternergy Hydro Partners Corporation (AHPC)	Investment holding	100	—	100	—	24,995	24,995
Alternergy Tanay Wind Corporation (ATWC) ^(A)	Power generation	—	—	100	—	—	54,606
						₱3,108,545,037	₱908,992,314

(A) On March 14, 2024, the Parent Company sold 100% of its shares in ATWC to AWHC for a total consideration of ₱0.05 million.

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

(C) Voting interest of AHC is 5.6% (direct) and 60% thru SPEC (indirect) as of June 30, 2024 and 2023

(D) LSEC became a subsidiary of AHC effective June 23, 2023.

(E) On June 11, 2024, the Parent Company subscribed to 75% of OSPC's available common shares resulting to a control over OSPC.

(F) No commercial operations as of June 30, 2024.

KSEC

KSEC was incorporated with the SEC on November 5, 2013 to engage in solar power generation in Villanueva, Misamis Oriental. The Kirahon Solar Power Project Phase 1 is a solar Photovoltaic facility occupying a total area of 15 hectares with a total of 40,740 solar panels and 12 inverters. The Project has a rated output of 12.5 MWp (10 MW AC) and is directly connected to the 34.5kV utility line of Cagayan Electric Power and Light Company. KSEC started commercial operations on October 25, 2015.

For the years ended June 30, 2024 and 2023, the Parent Company recognized dividend income from KSEC amounting to ₱37.48 million and ₱17.50 million, respectively. As of June 30, 2024 and 2023, dividends receivable from KSEC amounted to ₱12.49 million and ₱7.50 million, respectively (see Note 13).

AWHC

AWHC was incorporated in the Republic of the Philippines and was registered with the SEC on August 22, 2013 primarily to be involved in investment holding. In December 2014, the Parent Company subscribed to 99.99% shares of AWHC. In April 2024, the Parent Company subscribed to additional 5,000 common shares of AWHC for a total consideration of ₱2.19 billion.

For the years ended June 30, 2024 and 2023, the Parent Company recognized dividend income from AWHC amounting to ₱20.00 million and nil, respectively.



SPPP

SPPP was incorporated and registered in the Republic of Palau on September 15, 2020 primarily to engage in the business of developing renewable energy resources. SPPP developed and operates a solar photovoltaic electric energy generating and battery storage facility in the Republic of Palau. SPPP started commercial operations on December 31, 2023.

In April 2022, the Parent Company invested \$0.75 million in SPPP shares equivalent to a 10.0 % ownership of total shares in SPPP. SPEC owns 19.8% of the total shares in SPPP. Economic interests of AHC and SPEC in SPPP are 10.0% and 12.7%, respectively. The Parent Company accounts for its investment in SPPP as an investment in a subsidiary since it holds majority of the BOD seats and voting rights in SPPP, in accordance with the shareholders' agreement (see Note 5).

GESSI

GESSI was incorporated in the Republic of the Philippines and was registered with the SEC on November 10, 2016 primarily to be involved in the supply of retail energy. In 2024, the Parent Company made an additional investment in GESSI amounting to ₱7.50 million.

As of June 30, 2024 and 2023, GESSI has not started commercial operations.

SPEC

SPEC was incorporated in the Philippines and was registered with the SEC on January 30, 2013, primarily to engage in the business of developing renewable solar energy resources.

LSEC

LSEC was incorporated and registered in the Republic of the Philippines on June 26, 2015 primarily to engage in the business of developing renewable energy resources. On June 23, 2023, the Parent Company purchased 975,000 shares of LSEC from VHC. Accordingly, LSEC is now 60% owned by the Parent Company and 40% owned by VHC.

As of June 30, 2024 and 2023, LSEC has not started commercial operations.

OSPC

OSPC was incorporated and registered in the Republic of the Philippines on November 25, 2022 primarily to engage in the business of developing renewable energy resources.

On June 11, 2024, the Parent Company subscribed to 75% of OSPC's available common shares resulting to control over OSPC.

As of June 30, 2024 and 2023, OSPC has not started commercial operations.

ATWC

ATWC was incorporated in the Republic of the Philippines and was registered with the SEC on August 25, 2011 primarily to engage in the business of developing renewable wind energy resources.

In March 2024, the Parent Company sold all its shares in ATWC to AWHC for a consideration of ₱0.05 million. Consequently, ATWC ceased to be a direct subsidiary of the Parent Company.

AHPC

AHPC was incorporated in the Republic of the Philippines and was registered with the SEC on December 18, 2013 primarily engaged as the intermediate holding company of projects developing run-of-river hydroelectric power.



9. Accounts Payable and Accrued Expenses

	2024	2023
Accounts payable	₱6,533,836	₱8,492,701
Accrued expenses:		
Interest (see Notes 10 and 11)	15,841,931	5,989,830
Professional fees	3,385,322	3,060,000
Others	1,300,248	1,725,979
Withholding tax payable	678,167	694,809
	₱27,739,504	₱19,963,319

Accounts payable pertains to the Parent Company's liabilities for fees to be paid to its service providers already incurred but not yet paid by the Parent Company. This includes professional fees pertaining to the Parent Company's initial public offering in 2023. These are noninterest-bearing and are settled within 30 days.

Accrued expenses pertain to liabilities that have been incurred but not yet billed by the suppliers/creditors.

10. Short-term Loan

On December 8, 2022, the Parent Company signed a one-year promissory note with a local bank amounting to ₱250.0 million for bridge financing and general working capital requirements. The loan is unsecured and 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. Interest payable amounted to ₱1.62 million and ₱1.15 million as of June 30, 2024 and 2023, respectively.

The Parent Company incurred interest expense relating to these short-term bank loan amounting ₱20.24 million and ₱11.27 million for the years ended June 30, 2024 and 2023, respectively.

The rollforward analysis of debt transaction cost is as follows:

	2024	2023
At July 1	₱827,144	₱—
Additions	1,849,314	1,870,064
Amortization during the year	(1,457,242)	(1,042,920)
At June 30	₱1,219,216	₱827,144

11. Long-term Debt

On May 29, 2024, the Parent Company entered into a ₱2.0 billion green corporate loan (the "loan") with BDO Unibank, Inc. to partially fund its investments in renewable energy projects including project won in the Green Energy Auction Program and with offtake agreements. The loan is secured by shares of the Parent Company held by the Share Security Grantor (as defined under the loan agreement) 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) amounting 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 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 4-year BVAL reference rate plus 200 basis points for the first 4-year period and subject to repricing for the remaining 4-year period prior to maturity date.

Debt Covenants

Among others, the Parent Company is required to comply with the following financial covenants:

- Current ratio of at least 1.25x
- Net debt to equity ratio of not more than 1.50x
- Debt service coverage ratio of at least 1.20x

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

For the year ended June 30, 2024, interest expense amounted to ₱14.49 million. Interest payable of the same amount is presented under “Accounts payable and accrued expenses” account (see Note 9).

12. Equity

Details of the Parent Company’s capital stock as at June 30, 2024 and 2023 are as follows:

	Number of Shares		Amount	
	2024	2023	2024	2023
Common stock - ₱0.10 par value				
Authorized	10,406,291,160	10,406,291,160		
Issued and outstanding	3,933,840,480	3,933,840,480	₱393,384,048	₱393,384,048
Preferred stock - ₱0.10 par value				
Authorized	—	1,481,594,548		
Issued and outstanding	—	370,398,637	₱—	₱37,039,864
Redeemable preferred shares (RPS) 1				
-				
₱0.10 par value				
Authorized	1,181,594,548	—		
Issued and outstanding	370,398,637	—	37,039,864	—
RPS 2 Series A - ₱0.10 par value				
Authorized	100,000,000	—		
Issued and outstanding	100,000,000	—	10,000,000	—
RPS 2 Series B - ₱0.10 par value				
Authorized	100,000,000	—		
Issued and outstanding	—	—	—	—
RPS 2 Series C - ₱0.10 par value				
Authorized	100,000,000	—		
Issued and outstanding	—	—	—	—
			₱47,039,864	₱37,039,864



All common and preferred shares of AHC 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 nonparticipating 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 two (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 ₱1,442.00 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 ₱1,425.04 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 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.

13. Related Party Transactions

The Parent Company, 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 Parent Company by virtue of common ownership and representation to management where significant influence is apparent.

Except as indicated, otherwise, the outstanding accounts with related parties shall generally be settled in cash. The transactions are made at terms agreed upon by the parties.

a. The Parent Company's transactions and outstanding balance with related parties are as follows:

	Transactions During the Year		Outstanding Balance as of June 30		Terms	Conditions
	2024	2023	2024	2023		
Due from Related Parties						
Parent:						
VHC						
<i>Cash advances</i>	₱–	₱–	₱3,328,000	₱3,328,000	On demand; noninterest-bearing	Unimpaired; Unsecured
Direct subsidiaries:						
ATWC						
<i>Cash advances for development costs*</i>	–	–	–	202,794,614	On demand; noninterest-bearing	Unimpaired; Unsecured
AHPC						
<i>Cash advances</i>	333,000	–	39,961,450	39,628,450	On demand; noninterest-bearing	Unimpaired; Unsecured
PACO						
<i>Cash advances</i>	–	–	–	16,853,933	On demand; noninterest-bearing	Unimpaired; Unsecured
SPEC						
<i>Cash advances*</i>	85,250	1,536,707	1,621,957	1,536,707	On demand; noninterest-bearing	Unimpaired; Unsecured
Indirect Subsidiaries:						
Alternergy Mini-Hydro Holdings Corporation						
<i>Cash advances*</i>	23,117,475	–	147,009,220	123,891,745	On demand; noninterest-bearing	Unimpaired; Unsecured

(Forward)



	Transactions During the Year		Outstanding Balance as of June 30		Terms	Conditions
	2024	2023	2024	2023		
Ibulao Mini-Hydro Corporation <i>Cash advances for development costs*</i>	₱—	₱10,085,332	₱—	₱10,085,332	On demand; noninterest-bearing	Unimpaired; Unsecured
Lamut-Asipulo Mini-Hydro Corporation <i>Cash advances for development costs*</i>	95,461	—	2,880,865	2,785,404	On demand; noninterest-bearing	Unimpaired; Unsecured
Solana Solar Alpha, Inc. <i>Cash advances</i>	58,575,666	97,228,038	155,803,704	97,228,038	On demand; noninterest-bearing	Unimpaired; Unsecured
Sienna Solar Power Corporation <i>Cash advances</i>	12,190	67,242	79,432	67,242	On demand; noninterest-bearing	Unimpaired; Unsecured
GESSI <i>Cash advance</i>	1,500,000	—	1,500,000	—	On demand; noninterest-bearing	Unimpaired; Unsecured
Alabat Wind Power Corporation <i>Cash advances</i>	—	3,100	—	3,100	On demand; noninterest-bearing	Unimpaired; Unsecured
Liwanag Renewable Energy Corporation <i>Cash advances</i>	—	16,200	—	16,200	On demand; noninterest-bearing	Unimpaired; Unsecured
Alternergy Sembrano Wind Corporation <i>Cash advances</i>	—	600	600	600	On demand; noninterest-bearing	Unimpaired; Unsecured
Liberty Solar Energy Corporation <i>Cash advances</i>	56,780,600	—	56,796,800	—	On demand; noninterest-bearing	Unimpaired; Unsecured
Abra De Ilog Wind Power Corporation <i>Cash advances</i>	167,329	3,100	170,429	3,100	On demand; noninterest-bearing	Unimpaired; Unsecured
Associate: KMHC <i>Cash advances for development costs</i>	208,692,660	—	208,692,660	—	On demand; noninterest-bearing	Unimpaired; Unsecured
DMHC <i>Cash advances for development costs</i>	159,303,557	—	159,303,557	—	On demand; noninterest-bearing	Unimpaired; Unsecured
Shareholders <i>Cash advances</i>	—	450	—	110,400	On demand; noninterest-bearing	Unimpaired; Unsecured
Entities under common ownership: NAPI <i>Cash advances*</i>	58,898,619	6,000,000	64,898,619	6,000,000	On demand; noninterest-bearing	Unimpaired; Unsecured
APIC <i>Cash advances</i>	590,000	18,185,000	18,775,000	18,185,000	On demand; noninterest-bearing	Unimpaired; Unsecured
Olympia Solar Power Corporation <i>Cash advances</i>	4,000,000	38,315	4,038,315	38,315	On demand; noninterest-bearing	Unimpaired; Unsecured
Alternergy Philippine Holdings Corporation <i>Cash advances</i>	1,977,083	—	2,468,023	490,940	On demand; noninterest-bearing	Unimpaired; Unsecured

(Forward)



	Transactions During the Year		Outstanding Balance as of June 30		Terms	Conditions
	2024	2023	2024	2023		
Alternergy Solar Holdings Corporation <i>Cash advances</i>	₱107,665	₱—	₱107,665	₱—	On demand; noninterest-bearing	Unimpaired; Unsecured
Triple Play Land Corporation <i>Cash advances</i>	107,665	—	107,665	—	On demand; noninterest-bearing	Unimpaired; Unsecured
Joint Venture Calavite Passage Wind Power Corporation <i>Cash advances</i>	370,000	100,000	470,000	100,000	On demand; noninterest-bearing	Unimpaired; Unsecured
			₱868,013,961	₱523,147,120		

*Outstanding balance includes unrealized foreign exchange gain on translation amounting to ₱2,162,563 in 2024 and ₱2,931,246 in 2023.

	Transactions During the Year		Outstanding Balance as of		Terms	Conditions
	2024	2023	2024	2023		
Due to Related Parties						
Parent						
VHC <i>Return of deposit for future stock subscription</i>	₱—	₱707,636	₱—	₱707,636	On demand; noninterest-bearing	Unsecured
Subsidiaries:						
LSEC <i>Subscription payable</i>	—	975,000	—	975,000		Unsecured
GESSI <i>Cash advances</i>	—	—	—	1,400,000	On demand; noninterest-bearing	Unsecured
			₱—	₱3,082,636		

- b. The Parent Company did not employ any personnel for the years ended June 30, 2024 and 2023. In accordance with the advisory and administrative agreement, NAPI general and administrative support services to the Parent Company. NAPI performs day-to-day management services under the supervision and direction of the AHC's BOD. Administrative and finance functions include, but are not limited to, treasury and cash management, accounting and bookkeeping and administrative services. For the years ended June 30, 2024 and 2023, administrative services rendered by NAPI to the Parent Company amounted to ₱0.03 million and ₱0.15 million, respectively.
- c. For the years ended June 30, 2024 and 2023, KSEC and AWHC declared cash dividends to the Parent Company totaling to ₱57.48 million and ₱17.49 million, respectively.

Outstanding dividends receivable amounting to ₱32.49 million and ₱7.5 million as of June 30, 2024 and 2023, respectively, have been collected in August 2024 and August 2023, respectively (see Notes 7 and 8).



14. Income Tax

For the years ended June 30, 2024 and 2023, the provision for current income tax represents MCIT.

The reconciliation of income tax at statutory income rate to the effective income tax is as follows:

	2024	2023
Income tax at statutory income tax rate of 25%	₱11,079,210	(₱10,564,213)
Adjustments resulting from:		
Dividend income subject to final tax	(14,369,375)	(4,372,375)
Movement in unrecognized deferred tax assets	13,141,094	14,621,012
Interest income subject to final tax	(9,815,734)	(1,494,172)
Nondeductible expenses	196,365	1,824,426
	₱231,560	₱14,678

As at June 30, 2024 and 2023, the Parent Company's net deferred income tax assets are as follows:

	2024	2023
Deferred income tax asset on NOLCO	₱9,268,280	₱2,384,954
Deferred income tax liabilities on:		
Debt transaction cost	(6,665,130)	—
Unrealized foreign exchange gain	(2,603,150)	(2,384,954)
	₱—	₱—

No deferred income tax assets were recognized on the carryforward benefits of unused NOLCO and unused tax credit from excess MCIT as it is not probable that sufficient taxable profit will be available to allow the benefit of the deferred income tax assets to be utilized in the future:

	2024	2023
NOLCO	₱163,957,787	₱112,090,369
MCIT	246,909	23,086
Unrealized foreign exchange loss	60,108	289,385

As at June 30, 2024 and 2023, the Parent Company has MCIT that can be carried forward and claimed by the Parent Company as deduction from regular income tax due as follows:

Year Incurred	Availment Period	At July 1, 2023	Addition	Applied	Expired	At June 30, 2024
December 31, 2020	December 31, 2021–2023	₱7,737	₱—	₱—	(₱7,737)	₱—
December 31, 2021	December 31, 2022–2024	669	—	—	—	669
June 30, 2023	June 30, 2024–2026	14,680	—	—	—	14,680
June 30, 2024	June 30, 2025–2027	—	231,560	—	—	231,560
		₱23,086	₱231,560	₱—	(₱7,737)	₱246,909



As at June 30, 2024 and 2023, the Parent Company has accumulated NOLCO which can be claimed as deduction against regular taxable income as follows:

Year Incurred	Availment Period	At July 1, 2023	Addition	Applied	Expired	At June 30, 2024
December 31, 2020	December 31, 2021–2025	₱16,971,691	₱–	₱–	₱–	₱16,971,691
December 31, 2021	December 31, 2022–2026	14,565,217	–	–	–	14,565,217
June 30, 2022	June 30, 2023–2025	29,404,382	–	–	–	29,404,382
June 30, 2023	June 30, 2024–2026	60,688,895	–	–	–	60,688,895
June 30, 2024	June 30, 2025–2027	–	79,400,722	–	–	79,400,722
		₱121,630,185	₱79,400,722	₱–	₱–	₱201,030,907

15. Earnings (Loss) per Share

Loss per common share amounts were computed as follows:

	2024	2023
a. Net income (loss)	₱44,085,280	(₱42,271,530)
b. Weighted average number of common shares issued and outstanding	3,933,840,480	2,037,063,692
Income (Loss) per common share (a/b)	₱0.01	(₱0.02)

There are no dilutive potential common shares for the year ended June 30, 2024 and 2023.

16. Financial Instruments

Financial Risk Management Objectives and Policies

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

The BOD has overall responsibility for the establishment and oversight of the Parent Company's risk management framework. The Parent Company's risk management policies are established to identify and manage the Parent Company'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 Parent Company's activities.

The Parent Company has exposure to liquidity risk, credit risk and foreign currency risk from the use of its financial instruments. The Parent Company is not exposed to interest rate risk given that the Parent Company's interest-bearing borrowings contains fixed interest rates.

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 Parent Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility. The Parent Company maintains a level of cash deemed sufficient to finance its operations. As part of its liquidity risk management, the Parent Company regularly evaluates its projected and actual cash flows.

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

2024				
	On demand	Within one year	More than 1 year but less than 5 years	Total
Financial Assets:				
Cash and cash equivalents	₱1,228,855,991	₱—	₱—	₱1,228,855,991
Receivables	—	35,409,713	—	35,409,713
Restricted cash*	—	184,842,666	335,157,334	520,000,000
Due from related parties	868,013,961	—	—	868,013,961
	2,096,869,952	220,252,379	335,157,334	2,652,279,665
Financial Liabilities:				
Accounts payable and accrued expenses**	—	27,061,337	—	27,061,337
Short-term loan	—	248,780,784	—	248,780,784
Long-term debt	—	—	1,973,613,482	1,973,613,482
	—	275,842,121	1,973,613,482	2,249,455,603
Net Exposure	₱2,096,869,952	(₱55,589,742)	(₱1,638,456,148)	₱402,824,062

*The Security Trustee has the exclusive control over and the exclusive right of withdrawal from the Project Accounts.

**Balance excludes statutory liabilities amounting to ₱678,167.

2023				
	On demand	Within one year	More than 1 year but less than 5 years	Total
Financial Assets:				
Cash and cash equivalents	₱850,266,607	₱—	₱—	₱850,266,607
Receivables	—	18,785,744	—	18,785,744
Due from related parties	523,147,120	—	—	523,147,120
	1,373,413,727	18,785,744	—	1,392,199,471
Financial Liabilities:				
Accounts payable and accrued expenses***	—	19,268,510	—	19,268,510
Due to related parties	3,082,636	—	—	3,082,636
Short-term bank loan	—	269,000,000	—	269,000,000
	3,082,636	288,268,510	—	291,351,146
Net Exposure	₱1,370,331,091	(₱269,482,766)	₱—	₱1,100,848,325

***Balance excludes statutory liabilities amounting to ₱694,809.

Credit Risk

The Parent Company's exposure to credit risk is currently limited to the carrying values of cash in banks and due from related parties. Such exposure arises from a possible default of the counterparties. The Parent Company does not hold collateral for its financial asset as security.

The tables below show the credit quality by class of financial assets of accounts that are neither past due nor impaired based on the Parent Company's rating system as at June 30, 2024 and 2023:



	Neither Past Due Nor Impaired		Past Due		2024
	High Grade	Standard Grade	Unimpaired	Impaired	Total
Cash and cash equivalents	₱1,228,855,991	₱–	₱–	₱–	₱1,228,855,991
Receivables	35,409,713	–	–	–	35,409,713
Restricted cash	520,000,000	–	–	–	520,000,000
Due from related parties	–	868,013,961	–	–	868,013,961
	₱1,784,265,704	₱868,013,961	₱–	₱–	₱2,652,279,665

	Neither Past Due Nor Impaired		Past Due		2023
	High Grade	Standard Grade	Unimpaired	Impaired	Total
Cash and cash equivalents	₱850,266,607	₱–	₱–	₱–	₱850,266,607
Receivables	18,785,744	–	–	–	18,785,744
Due from related parties	–	523,147,120	–	–	523,147,120
	₱869,052,351	₱523,147,120	₱–	₱–	₱1,392,199,471

High Grade. This pertains to counterparty who is not expected by the Parent Company 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 June 30, 2024 and 2023 are as follows:

	Neither past due nor impaired	Past due but not impaired				Impaired	2024 Total
		Less than 30 days	31 to 60 days	61 to 90 days	More than 90 days		
Cash and cash equivalents	₱1,228,855,991	₱–	₱–	₱–	₱–	₱–	₱1,228,855,991
Receivables	35,409,713	–	–	–	–	–	35,409,713
Restricted cash	184,842,666	–	–	–	–	–	184,842,666
Due from related parties	868,013,961	–	–	–	–	–	868,013,961
	₱2,317,122,331	₱–	₱–	₱–	₱–	₱–	₱2,317,122,331

	Neither past due nor impaired	Past due but not impaired				Impaired	2023 Total
		Less than 30 days	31 to 60 days	61 to 90 days	More than 90 days		
Cash and cash equivalents	₱850,266,607	₱–	₱–	₱–	₱–	₱–	₱850,266,607
Receivables	18,785,744	–	–	–	–	–	18,785,744
Due from related parties	523,147,120	–	–	–	–	–	523,147,120
	₱1,392,199,471	₱–	₱–	₱–	₱–	₱–	₱1,392,199,471

The Parent Company has the following financial assets that are subject to the expected credit loss model:

General Approach

- *Cash and cash equivalents and Restricted cash.* As of June 30, 2024 and 2023, the ECL relating to cash and cash equivalents and restricted cash of the Parent Company is minimal as these are deposited in reputable banks which have a good bank standing and are considered to have a low credit risk.



- *Receivables.* As of June 30, 2024, the Parent Company did not recognize any allowance on its receivables as these are from large financial institutions, from reputable entities, or have been subsequently collected.
- *Due from related parties.* The Parent Company did not recognize any allowance on 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.

Foreign Currency Risk

The Parent Company uses the Philippine Peso (₱) as its functional currency and is therefore exposed to foreign exchange movements, primarily in US dollar (\$) currencies. The Parent Company 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 Parent Company's exposure to foreign currency risk. Included in the table are the Parent Company's foreign-currency-denominated financial assets and liabilities as of June 30, 2024 and 2023:

	2024		2023	
	Original Currency	Peso Equivalent	Original Currency	Peso Equivalent
Financial Assets				
Cash	\$41,655	₱2,441,340	\$2,524,097	₱139,330,154
Due from related parties	582,500	34,140,325	2,427,452	133,995,357
	\$624,155	₱36,581,725	\$4,951,549	₱273,325,511

As of June 30, 2024 and 2023, the exchange rates used were ₱58.61 and ₱55.2 per \$1, respectively. The following table demonstrates the sensitivity to a reasonably possible change in US Dollar exchange rate, with all variables held constant, of the Parent Company's loss before tax (due to changes in the fair value of monetary assets and liabilities). There is no other impact on the Parent Company'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 loss before income tax		
2023	₱1,829,086	(₱1,829,086)
2022	₱13,666,276	(₱13,666,276)

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, Receivables, Restricted cash, Due from related parties, Short-term loan, Accounts payable and accrued expenses, and Due to related parties

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 debt

The fair value of long-term debt was calculated based on the discounted value of future cash flows using the applicable risk-free rate for similar types of loans adjusted for credit risk (Level 3 of the fair value hierarchy). The applicable risk-free rate used ranges from 6.54%-6.65% as of June 30, 2024.

Fair Value Hierarchy

The Parent Company 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 June 30, 2024, the fair value of long-term debt amounted to ₱2,004.67 million and 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 Parent Company's long-term debt:

- 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.

	June 30, 2024			
	Fair Value as at June 30, 2024	Valuation Technique	Key Unobservable Inputs	Range (Weighted Average)
Long-term debt	₱2,004,671,946	Market comparable approach	Interest rate	6.54% to 6.65%

Capital Management

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

As of June 30, 2024 and 2023, the Parent Company's total equity amounted to ₱3,519.74 million and ₱2,031.89 million, respectively. In order to sustain its operations, the Parent Company may obtain additional advances and/or capital infusion from its shareholders.



The Parent Company considers the following as its core capital:

	2024	2023
Short-term loan	₱248,780,784	₱249,172,856
Long-term debt	1,973,613,482	—
Capital stock	440,423,912	430,423,912
Additional paid-in capital	3,035,119,971	1,643,742,189
Retained earnings (Deficit)	44,085,280	(42,271,540)
	₱5,742,023,429	₱2,281,067,417

No changes were made in the objectives, policies or processes for the years ended June 30, 2024 and 2023.

17. Changes in Liabilities Arising from Financing Activities

	2024			
	Due to Related Parties (see Note 13)	Short-term Loan (see Note 10)	Long-term Debt (see Note 11)	Interest Payable (see Notes 9)
As at July 1	₱3,082,636	₱249,172,856	₱—	₱5,989,830
Cash flows:				
Availment of long-term debt	—	—	1,480,000,000	—
Payments of:				
Debt transaction cost	—	(1,849,314)	(26,386,518)	—
Interest	—	—	—	(24,849,617)
Amounts owed to related parties	(3,082,636)	—	—	—
Noncash movements				
Cash restriction (see Note 6)	—	—	520,000,000	34,701,718
Interest expense	—	—	—	34,701,718
Amortization of debt transaction cost	—	1,457,242	—	—
As at June 30	₱—	₱248,780,784	₱1,973,613,482	₱15,841,931

	2023			
	Due to Related Parties (see Note 13)	Short-term Loan (see Note 10)	Long-term Debt (see Note 11)	Interest Payable (see Note 9)
As at July 1	₱189,135,896	₱—	₱230,597,681	₱1,165,573
Availment of short-term bank loan	—	250,000,000	—	—
Payment of debt transaction cost	—	(1,870,064)	—	—
Amortization of debt transaction cost	—	1,042,920	3,118,302	—
Payment of long-term interest	—	—	(233,715,983)	(22,455,838)
Payment to related parties	(186,053,260)	—	—	—
As at June 30	₱3,082,636	₱249,172,856	₱—	₱1,159,583

Proceeds from long-term debt in 2024 is net of cash restricted for debt service payment accounts amounting to ₱520.00 million, in accordance with the loan agreement (see Notes 6 and 11).

18. Supplementary Information Required Under Revenue Regulations 15-2010

The Parent Company reported and paid the following taxes in 2024:

VAT

The Parent Company's sales are subject to output VAT while its purchases of goods and services from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.



- a. The Parent Company has no declared and paid output VAT in 2024.
- b. Details of input VAT account are shown are as follows:

Balance at July 1, 2023	₱7,079,695
Current year's domestic purchases:	
Domestic purchase of goods other than capital goods	144,727
Domestic purchase of services	5,884,489
Balance at June 30, 2024	₱13,108,911

Taxes and Licenses

Documentary stamp taxes (DST) on intercompany advances	₱2,426,349
Others	362,436
Business permits	16,420
	₱2,805,205

The Parent Company also paid DST amounting to ₱15.00 million for the availment of the long-term debt. The DST, classified as debt transaction cost, is presented as reduction of the long-term debt amortized throughout the term of the loan. Meanwhile, DST for the issuance of perpetual preferred shares amounting to ₱0.10 million was charged against additional paid-in capital.

Withholding Taxes

The expanded withholding taxes accrued or paid by the Parent Company amounted to ₱2.14 million for the year ended June 30, 2024.

Tax Contingencies

The Parent Company did not receive any final tax assessment in 2024, nor does it have tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the administration of the BIR.





SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



The following document has been received:

Receiving: RICHMOND CARLOS AGTARAP

Receipt Date and Time: May 09, 2025 02:04:49 PM

Company Information

SEC Registration No.: CS200909233

Company Name: ALTERNERGY HOLDINGS CORPORATION

Industry Classification: J66940

Company Type: Stock Corporation

Document Information

Document ID: OST10509202583300794

Document Type: Quarterly Report

Document Code: SEC_Form_17-Q

Period Covered: March 31, 2025

Submission Type: Original Filing

Remarks: None

Acceptance of this document is subject to review of forms and contents

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.

Amended Articles Number/Section

Total No. of
Stockholders

Total Amount of Borrowings

Total No. of
Stockholders

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 March 31, 2025
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 incorporation or organization Industry Classification Code:
7. Level 3B 111 Paseo de Roxas Building, Paseo de Roxas
Avenue corner Legazpi Street, Legaspi Village Makati City 1229
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: 29 April 2025

ANNEX A

Alternergy Holdings Corporation and Subsidiaries

Consolidated Financial Statements
As at March 31, 2025 and June 30, 2024
and for the Nine-Month and Three-Month Periods
Ended March 31, 2025 and 2024

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@alternenergy.com	(632) 8813-4678	N/A
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
-	Second Wednesday of December	3/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Maria Carmen G. Diaz	carmen.diaz@alternenergy.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 March 31, 2025 (With Comparative Audited Figures as of June 30, 2024)

	March 31, 2025 (Unaudited)	June 30, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱3,218,875,941	₱2,559,074,243
Trade and other receivables (Note 5)	236,454,566	145,554,089
Restricted cash and placements (Note 4)	273,144,901	418,350,485
Due from related parties (Note 14)	1,034,905,830	575,160,491
Prepayments and other current assets	144,908,392	18,037,837
Total Current Assets	4,908,289,630	3,716,177,145
Noncurrent Assets		
Property, plant and equipment (Note 6)	4,743,960,015	1,739,749,071
Intangible assets (Note 8)	1,990,485,919	2,057,554,451
Investments in and advances to associates and joint ventures (Note 7)	136,403,683	120,711,869
Right-of-use assets	376,891,577	347,967,212
Other noncurrent assets	1,511,598,714	762,605,131
Total Noncurrent Assets	8,759,339,908	5,028,587,734
TOTAL ASSETS	₱13,667,629,538	₱8,744,764,879
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loan (Note 11)	₱745,659,706	₱248,780,784
Current portions of:		
Long-term debt (Note 12)	58,355,743	118,602,987
Lease liabilities	48,756,322	28,082,850
Accounts payable and accrued expenses	728,777,777	105,170,263
Advances from a third party (Note 10)	–	214,000,000
Dividend payable (Note 9)	52,240,492	6,250,000
Due to related parties (Note 14)	1,088,487	9,688,488
Income tax payable	2,554,069	14,840,472
Total Current Liabilities	1,637,432,596	745,415,844
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 12)	7,440,629,205	3,352,360,239
Lease liabilities - net of current portion	303,660,922	322,279,131
Deferred tax liabilities - net	19,792,425	21,600,738
Asset retirement obligation	5,661,782	5,403,349
Retirement benefit obligation	1,080,874	1,080,874
Total Noncurrent Liabilities	7,770,825,208	3,702,724,331
Total Liabilities	₱9,408,257,804	4,448,140,175

(Forward)

	March 31, 2025 (Unaudited)	June 30, 2024 (Audited)
Equity		
Capital stock (Note 13)	₱440,448,912	₱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)	(924,492)	8,596,053
Equity reserve (Note 9)	3,435,427	3,435,427
Retained earnings (Deficit)	137,970,896	67,183,056
Equity Attributable to Equity Holders of the Parent Company	3,616,010,157	3,554,742,862
Non-controlling Interests	643,361,577	741,881,842
Total Equity	4,259,371,734	4,296,624,704
TOTAL LIABILITIES AND EQUITY	₱13,667,629,538	₱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 March 31		Nine-Month Periods Ended March 31	
	2025	2024	2025	2024
REVENUE FROM SALE OF ELECTRICITY (Note 23)	₱79,550,745	₱82,311,825	₱260,738,519	₱182,493,240
COST OF SALE OF ELECTRICITY (Note 6)	46,034,281	26,546,300	130,438,442	48,680,999
GROSS PROFIT	33,516,464	55,765,525	130,300,077	133,812,241
EQUITY IN NET EARNINGS OF ASSOCIATES (Note 7)	13,470,616	14,013,710	15,139,654	39,836,968
GENERAL AND ADMINISTRATIVE EXPENSES (Note 16)	37,378,702	22,481,451	98,829,074	76,880,387
OTHER INCOME (CHARGES)				
Project cost recovery and others (Note 23)	453,516	–	69,454,806	86,255,857
Finance costs (Notes 12, 13, and 17)	(27,360,211)	(28,691,517)	(80,332,129)	(58,715,429)
Interest income (Note 4)	36,365,312	14,975,574	74,000,844	30,377,810
Net foreign exchange gains (losses)	(154,472)	4,064,546	(1,807,039)	4,476,813
Advisory fees (Note 15)	975,000	810,000	2,895,000	2,430,000
Construction revenue (Note 23)	–	(1,199,255,944)	–	(1,165,145,627)
Construction costs (Note 23)	–	1,199,255,944	–	1,165,145,627
	10,279,145	(8,841,397)	64,211,482	64,825,051
INCOME BEFORE INCOME TAX	19,887,523	38,456,387	110,822,139	161,593,874
PROVISION FOR INCOME TAX	(601,330)	1,450,162	1,740,609	3,412,609
NET INCOME	20,488,853	37,006,226	109,081,530	158,181,26
OTHER COMPREHENSIVE INCOME				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Cumulative translation adjustment (Note 2)	(8,515,952))	7,743,189	(54,094,007)	20,573,260
TOTAL COMPREHENSIVE INCOME	₱11,972,901	₱44,749,415 0	₱54,987,523	₱178,754,525
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	₱21,665,962	₱27,852,324	₱101,267,295	₱ 64,709,732
Non-controlling interests	(9,693,061)	16,897,091	(46,279,772)	114,044,793
	₱11,972,901	₱44,749,415	₱54,987,523	₱178,754,525
Basic/Diluted Earnings (Loss) per Share (Note 18)	₱0.01	₱0.01	₱0.03	₱0.02

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024

	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 (loss)	–	–	–	–	–	(9,520,545)	–	110,787,840	101,267,295	(46,279,772)	54,987,523
Dividends declared	–	–	–	–	–	–	–	(40,000,000)	(40,000,000)	–	(40,000,000)
Dividend to non-controlling interest	–	–	–	–	–	–	–	–	–	(52,240,493)	(52,240,493)
At March 31, 2025	₱47,039,864	₱393,384,048	₱ 3,035,119,971	₱–	(₱15,557)	(₱924,492)	₱3,435,427	₱137,970,896	₱3,616,010,157	₱643,361,577	₱4,259,371,734
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 (loss)	–	–	–	–	–	1,007,525	–	63,695,190	64,702,715	114,044,793	178,747,508
Issuance of shares (Note 14)	10,000,000	–	1,440,000,000	–	–	–	–	–	1,450,000,000	–	1,450,000,000
Share issuance cost	–	–	(1,644,870)	–	–	–	–	–	(1,644,870)	–	(1,644,870)
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	–	(12,500,000)	(12,500,000)
Change in non-controlling interests	–	–	–	–	–	–	–	–	–	(22,766,742)	(22,766,742)
At March 31, 2024	₱47,039,864	₱393,384,048	₱3,082,097,319	₱–	(₱15,557)	₱5,118,038	₱3,435,427	₱63,126,530	₱3,594,185,669	₱721,824,758	₱4,316,010,427

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

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

	Nine-Month Periods Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱110,822,139	₱161,586,857
Adjustments for:		
Depreciation and amortization (Notes 6 and 16)	99,912,155	46,872,906
Finance costs (Notes 11, 12, and 16)	80,332,129	58,715,429
Interest income (Note 4)	(74,000,844)	(30,377,810)
Net unrealized foreign exchange losses (gains)	1,807,039	(126,859)
Retirement expense		265,703
Equity in net losses (earnings) of associates (Note 7)	(15,139,654)	(39,836,968)
Income before working capital changes	203,732,964	197,099,258
Decrease (increase) in:		
Trade and other receivables (Note 5)	(90,900,477)	(137,083,674)
Restricted cash and cash equivalents	145,205,584	–
Prepayments and other current assets	(126,870,555)	44,854,855
Other noncurrent assets	(748,993,583)	(1,431,479)
Increase (decrease) in:		
Accounts payable and accrued expenses	622,057,634	95,153,345
Advances to third party	(214,000,000)	–
Net change in accounts with related parties	(468,345,340)	(282,074,947)
Cash from (used in) operations	(678,113,773)	(83,482,642)
Interest received	74,000,844	30,377,810
Income tax paid	(12,286,403)	(7,067,933)
Net cash flows from (used in) operating activities	(616,399,332)	(60,172,765)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment (Note 6)	(2,962,623,281)	(459,288,672)
Project development costs (Notes 8 and 22)	(130,265,902)	(313,130,040)
Cash dividends received	–	49,650,692
Movements in investment in associates and joint ventures	(552,160)	(4,904,926)
Net cash flows used in investing activities	(3,093,441,343)	(743,701,175)

(Forward)

	Nine-Month Periods Ended March 31	
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Drawdown of long-term debts (Note 12)	₱4,088,268,966	₱–
Drawdown of short-term loan (Note 11)	496,878,922	–
Issuance of preferred shares (Note 13)	–	1,450,000,000
Payments of:		
Long-term debts (Note 12)	(60,247,244)	–
Interest (Notes 11 and 12)	(80,332,129)	(72,916,729)
Dividends	(46,250,001)	(3,750,000)
Deferred financing charges (Note 12)	–	(27,901,846)
Share issuance costs	–	(1,644,870)
Movements in lease liability	(26,869,102)	283,765,950
Net cash flows from financing activities	4,371,449,412	1,627,552,505
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,807,039)	126,859
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	659,801,698	823,805,424
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)	₱3,218,875,941	₱2,062,792,276

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 March 31, 2025 and June 30, 2024 and for the nine-month and three-month periods ended March 31, 2025 and 2024 were approved and authorized for issuance by the BOD on April 29, 2025.

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 March 31, 2025 and June 30, 2024:

	Nature of Business	March 31, 2025		June 30, 2024	
		Direct	Indirect	Direct	Indirect
Alternergy Wind Holdings Corporation (“AWHC”, formerly Pililla AVPC Corporation) ^(C)	Investment holding	100	-	100	-
Alternergy Tanay Wind Corporation (“ATWC”) ^{(A) (E)}	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)	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”) ^(C)	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) (B)}	Power generation	10	12	10	12
Solana Solar Alpha Incorporation (“SSAI”) ^(A)	Power generation	-	100	-	100
Olympia Solar Power Corporation (“OSPC”) ^{(A) (D)}	Power generation	75	-	75	-
Green Energy Supply Solutions Inc. (“GESSI”) ^(A)	Energy retail supplier	100	-	100	-
Triple Play Land Corporation (“TPLC”) ^{(A) (F)}	Real Estate	100	-	-	-
Alternergy Solar Holdings Corporation (“ASHCo”) ^{(A) (G)}	Investment holding	100	-	-	-
AlterCore Management Services Inc. (“AMSI”) ^{(A) (H)}	Management Consultancy	100	-	-	-

(A) No commercial operations as of March 31, 2025

(B) Voting interest of ALTER is 5.6% (direct) and 60% thru SPEC (indirect) as of March 31, 2025 and June 30, 2024

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

(D) 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.

(E) 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 March 31, 2025 and June 30, 2024.

(F) Acquired on September 25, 2024.

(G) Acquired on October 11, 2024.

(H) Acquired on January 17, 2025.

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 March 31, 2025 and for the nine-month and three-month periods ended March 31, 2025 and 2024 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 March 31, 2025 and June 30, 2024 and for the nine-month and three-month periods ended March 31, 2025 and 2024.

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 June 30, 2024.

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

a. Cash and Cash Equivalents

	March 31, 2025	June 30, 2024
Cash in banks and on hand	₱875,396,943	₱1,799,923,000
Cash equivalents	2,343,478,998	759,151,243
	₱3,218,875,941	₱2,559,074,243

b. Restricted Cash and Placements

Restricted cash and placements amounting to ₱273.14 million and ₱418.4 million as of March 31, 2025 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 ₱413.53 million and ₱335.16 million as at March 31, 2025 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

	March 31, 2025	June 30, 2024
Trade (see Note 22)	₱45,583,819	₱79,457,486
Advances to contractors	181,621,528	–
Advances to employees	8,204,225	4,380,286
Dividend receivable	–	21,250,301
Non-trade receivables from third parties	–	37,655,405
Others	1,044,994.00	2,810,611
	₱236,454,566	₱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	Total
Cost								
At beginning of period	₱515,841,764	₱539,223,088	₱1,801,159	₱885,913	₱3,054,053	₱-	₱741,288,840	₱1,802,094,817
Additions	16,410,500	260,102,106	958,154	3,681,546	1,117,307	4,067,857	2,921,088,421	3,207,425,890
Reclassification (see Note 8)	-	-	-	-	-	-	81,051,044	81,051,044
At end of period	532,252,264	799,325,194	2,759,313	4,567,459	4,171,360	4,067,857	3,743,428,305	5,090,571,751
Accumulated Depreciation								
At beginning of period	-	60,310,138	1,192,323	123,002	720,283	-	-	62,345,746
Depreciation (see Note 16)	-	281,368,505	534,672	808,197	1,021,127	533,489	-	284,265,990
At end of period	-	334,197,729	1,726,995	931,199	1,741,410	533,489	-	346,611,736
Net Book Values	₱532,252,264	₱465,127,465	₱1,032,318	₱3,636,260	₱2,429,950	₱3,534,368	₱3,743,428,305	₱4,743,960,015

	Land	Solar Power Plant	Office Equipment	Furniture and Fixtures	Computer Software	Construction in Progress	Total
Cost							
At beginning of period	₱512,241,765	₱539,223,088	₱1,671,063	₱31,759	₱249,331	₱-	₱1,053,417,006
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 end of period	515,841,764	539,223,088	1,801,159	885,913	3,054,053	741,288,840	1,802,094,817
Accumulated Depreciation							
At beginning of period	-	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 end of period	-	60,310,138	1,192,323	123,002	720,283	-	62,345,746
Net Book Values	₱515,841,764	₱478,912,950	₱608,836	₱762,911	₱2,333,770	₱741,288,840	₱1,739,749,071

7. Investments in and Advances to Associates and Joint Ventures

	March 31, 2025	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	15,139,654	5,290,459
Dividends	-	(70,900,993)
At end of period	(7,198,581)	(22,338,235)
Share in remeasurement loss on retirement benefit obligation of an associate	(15,577)	(15,577)
	116,338,196	115,919,158
Advances to associates	5,344,871	4,792,711
	₱136,403,683	₱120,711,869

The Group's associates and joint ventures and the corresponding percentage of equity ownership as of March 31, 2025 and June 30, 2024 are as follows:

	Nature of Business	March 31, 2025	June 30, 2024
KMHC	Power generation	30.00%	30.00%
SPCC	Power generation	15.00%	15.00%
PWPC	Power generation	5.00%	5.00%
SWPC	Power generation	5.00%	5.00%
DMHC	Power generation	7.80%	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.

In November 2024, AWHC and Shell entered into an agreement to purchase Shell's ownership stake in CPWPC and TSOWPC for a total consideration of \$2. As a result, CPWPC and TSOWPC became subsidiaries of AWHC.

8. Intangible Assets

	Service Concession Right	Project Development Costs	Goodwill	Customer Off-take Agreement	Total
Cost					
At beginning of period	₱1,301,036,599	₱271,716,800	₱238,423,078	₱283,172,980	₱ 2094,349,457
Additions	-	108,048,986	-	-	108,048,986
Reclassifications	-	(81,051,044)	-	-	(81,051,044)
At end of period	1,301,036,599	298,714,742	238,423,078	283,172,980	2,121,347,399
Accumulated Amortization					
At beginning of period	34,245,464	-	-	30,444,167	64,689,631
Amortization during the period	49,262,022	-	-	11,105,704	60,367,726
At end of period	83,507,486	-	-	41,549,871	125,057,357
Allowance for Impairment Losses					
At beginning of period	-	-	-	-	40,887,332
Provision during the period	-	-	-	-	-
At end of period	-	40,887,332	-	-	40,887,332
Cumulative translation adjustment	35,083,209	-	-	-	35,083,209
	₱1,284,474,494	₱257,827,410	₱238,423,078	₱241,623,109	₱1,990,485,919

	Service Concession Right	Project Development Costs	Goodwill	Customer Off-take Agreement	Total
Cost					
At beginning of period	₱-	₱350,883,196	₱238,423,078	₱283,172,980	₱872,479,254
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
	₱1,335,573,092	₱230,829,468	₱238,423,078	₱252,728,813	₱2,057,554,451

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 ₱1,369.82 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 nine-month periods ended March 31, 2025 and 2024.

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 March 31, 2025 and June 30, 2024:

Company Name	Principal Place of Business	Ownership Interest
KSEC	Minergy Business Park, PHIVIDE 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%

	March 31, 2025	June 30, 2024
Accumulated balances of material non-controlling interest:		
KSEC	₱340,765,369	₱280,154,952
SPEC	32,571,232	41,994,947
SPPP	428,367,054	426,212,408
Total comprehensive income allocated to material non-controlling interest:		
KSEC	21,219,707	31,000,381
SPEC	(3,769,486)	(145,557)
SPPP	1,775,428	89,806,832

Change in Non-controlling Interests

- a. 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 ₱214.0 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 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.

On November 29, 2024, LAMHC returned the ₱214.0 million deposit to Exeter and subsequently entered into a noninterest-bearing and unsecured long-term loan for ₱64.0 million with Exeter. This is presented as part of "Long-term debts" account in the consolidated statement of financial position (see Note 12).

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 general working capital requirements. The loan is payable in full at the end of the term. This was subsequently renewed on February 23, 2025 for another one year.

On December 19, 2024, ALTER signed another one-year promissory note with RCBC amounting to ₱500.00 million for general working capital requirements. The loan is payable in full at the end of the term.

Interest is payable quarterly at a simple fixed interest rate per annum until the maturity of the loan. As of March 31, 2025 and June 30, 2024, the interest payable amounted to ₱2.84 million and ₱1.62 million, respectively, and unamortized portion of the debt transaction costs amounted ₱4.34 million and ₱1.22 million as of March 31, 2025 and June 30, 2024, respectively.

Interest expense on short-term loan amounted to ₱13.25 million and ₱4.90 million for the three months ended March 31, 2025 and 2024, respectively.

12. Long-term Debts

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

	March 31, 2025	June 30, 2024
Banco de Oro Unibank Inc. ("BDO")	₱2,000,000,000	₱2,000,000,000
Security Bank Corporation ("SBC")	1,729,530,000	–
Bank of the Philippine Island ("BPI")	1,729,530,000	–
Export Finance Australia ("EFA")	978,291,000	1,028,605,500
Rizal Commercial Banking Corp. ("RCBC")C	424,508,008	499,178,793
Rizal Commercial Banking Corp. ("RCBC")	800,500,000	–
Exeter Portofino (Export) Holdings, Inc	64,000,000	–
	7,726,359,008	3,527,784,293
Less deferred financing charges	227,374,060	56,821,067
	7,498,984,948	3,470,963,226
Less current portion	58,355,743	118,602,987
	₱7,440,629,205	₱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 March 31, 2025 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 March 31, 2025 and June 30, 2024, the Parent Company is compliant with the financial loan covenants of the agreement.

As of March 31, 2025 and June 30, 2024, the Group has accrued interest related to this loan amounting to ₱129.86 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 ₱57.35 million and ₱14.22 million as of March 31, 2025 and June 30, 2024, respectively, are presented under "Accounts payable and accrued expenses" account.

b. RCBC

KSEC

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 ₱1.31 million and ₱8.87 million as of March 31, 2025 and June 30, 2024, 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 ₱583.72 million and ₱610.69 million as of March 31, 2025 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 March 31, 2025 and June 30, 2024, KSEC is compliant with the financial loan covenants of the project finance facility.

AWPC

On June 11, 2024, AWPC signed an Omnibus Agreement with RCBC for a project finance facility of up to ₱5.3 billion to finance all project costs incurred in connection with the construction of the Project in the Municipality of Alabat, Province of Quezon with gross installed capacity of up to 64.0 MW.

As of March 31, 2025, AWPC has not yet drawn from the facility.

SSAI

On December 26, 2024, SSAI signed an Omnibus Agreement with RCBC for a project finance facility of up to ₱1.0 billion to finance all project costs incurred in connection with the construction of the Project in the Municipality of Hermosa, Province of Bataan with gross installed capacity of up to 28.0 MW_{DC}.

In March 2025, SSAI received the first drawdown of the loan facility amounting to ₱800.5 million. SSAI is required to comply with certain covenants with respect to maintaining at least 75:25 debt-to-equity and 1.05:1.00 minimum debt service coverage ratios, as set forth in its agreement with RCBC. As of March 31, 2025, SSAI 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.

SPPPI is obligated to comply with certain covenants with respect to maintaining at least 75% gearing ratio. As of March 31, 2025 and June 30, 2024, SPPP is compliant with the covenants of the PFA.

d. Bank of the Philippine Islands ("BPI") and Security Bank Corporation ("SBC")

On May 27, 2024, ATWC signed an Omnibus Agreement with BPI and SBC for a project finance facility of up to ₱8.0 billion to finance all project costs incurred in connection with the construction of the Project in the Municipality of Tanay, Province of Rizal.

On October 29, 2024 and December 18, 2024, ATWC received the first and second drawdown, respectively, of the loan facility amounting to ₱1.49 billion and ₱3.46 billion, respectively. ATWC is required to comply with certain covenants with respect to maintaining at least 75:25 debt-to-equity and 1.05:1.00 minimum debt service coverage ratios, as set forth in its agreement with RCBC and SBC. As of March 31, 2025, ATWC is compliant with the financial loan covenants of the project finance facility.

Interest payable amounted to ₱63.94 million as of March 31, 2025.

e. Exeter

In December 2024, LAMHC entered into a noninterest-bearing and unsecured long-term loan with Exeter to fund the costs related to the Project amounting to ₱64.0 million (see Note 10). The loan shall be paid in full within thirty (30) days

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

	March 31, 2025	June 30, 2024
At beginning of period	₱56,821,067	₱34,367,853
Additions	172,573,532.10	26,660,521
Amortization during the period	(8,111,735)	(5,940,497)
Translation adjustment	6,091,196	1,733,190
At end of period	₱227,374,060	₱56,821,067

g. Total interest expense on these long-term debts amounted to ₱22.44 million and ₱9.7 million for the three months ended March 31, 2025 and 2024, respectively, and ₱67.08 million and ₱53.81 million for the nine months ended March 31, 2025 and 2024, respectively.

13. Equity

Capital Stock and Additional Paid-in Capital

Details on the movement of the Group's capital stock as of March 31, 2025 and June 30, 2024 are as follows:

	Number of Shares	Amount
Common stock - ₱0.10 par value		
Authorized	10,406,291,160	
Issued and outstanding	3,933,840,480	₱393,384,048
Preferred stock - ₱0.10 par value		
Authorized	–	
Issued and outstanding	–	₱–
Perpetual preferred shares (PPS) 1 - ₱0.10 par value		
Authorized	1,181,594,548	
Issued and outstanding	370,398,637	37,039,864
PPS 2 Series A - ₱0.10 par value		
Authorized	100,000,000	
Issued and outstanding	100,000,000	10,000,000
PPS 2 Series B - ₱0.10 par value		
Authorized	100,000,000	
Issued and outstanding	–	–
PPS 2 Series C - ₱0.10 par value		
Authorized	100,000,000	
Issued and outstanding	–	–
		₱47,039,864

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 Perpetual Preferred Shares 1 ("PPS 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 Perpetual Preferred Shares 2 ("PPS 2") with a par value of ₱0.10 per share. The RPS 2 are further sub-divided into 100,000,000 PPS 2 – Series A shares, 100,000,000 PPS 2 – Series B, and 100,000,000 PPS 2 – Series C.

The new PPS 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 PPS 1. Meanwhile, the new PPS 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.

Dividend Declaration

On November 5, 2024, the BOD approved the declaration of dividends to holders of Perpetual Preferred Shares 1 and Perpetual Preferred Shares 2 – Series A of the Parent Company totaling ₱40.0 million to be taken out of the unrestricted retained earnings of the Parent Company as of June 30, 2024. This was paid on December 18, 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 Nine Months Ended March 31		Outstanding Balance as of		Terms	Conditions
	2025	2024	March 31, 2025	June 30, 2024		
Due from Related Parties						
Parent	₱–	₱–	₱–	₱3,328,000	On demand; noninterest- bearing	Unimpaired; Unsecured
Entities under common ownership	460,570,079	10,357,425	1,035,730,570	575,160,491	On demand; noninterest- bearing	Unimpaired; Unsecured
			₱1,035,730,570	₱575,160,491		

	Transactions During the Nine Months Ended March 31		Outstanding Balance as of		Terms	Conditions
	2025	2024	March 31, 2024	June 30, 2024		
Due to Related Parties						
Entities under common ownership	(₱7,775,261)	₱–	₱1,913,227	₱9,688,488	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. This is automatically renewed annually.
- The Group did not employ personnel for the nine-month periods ended March 31, 2025 and 2024. 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 and nine-month periods ended March 31, 2025 and 2024:

	Three-Month Period Ended March 31		Nine-Month Period Ended March 31	
	2025	2024	2025	2024
Revenue from Contracts with Customers				
Power supply agreement ("PSA")	₱44,426,028	₱47,621,099	₱137,032,545	₱135,611,406
Power purchase agreement ("PPA")	35,124,717	34,690,726	123,705,974	46,881,834
	₱79,550,745	₱82,311,825	₱260,738,519	₱182,493,240
Primary Geographical Markets				
Philippines	₱44,426,028	₱47,621,099	₱137,032,545	₱135,611,406
Palau	35,124,717	34,690,726	123,705,974	46,881,834
	₱79,550,745	₱82,311,825	₱260,738,519	₱182,493,240
Timing of Revenue Recognition				
Transferred over time	₱79,550,745	₱82,311,825	₱260,738,519	₱182,493,240

16. General and Administrative Expenses

	For the Three-Month Periods Ended March 31		For the Nine-Month Periods Ended March 31	
	2025	2024	2025	2024
Outside services	₱2,967,172	₱2,909,495	₱21,796,901	₱19,957,975
Taxes and licenses	15,659,077	3,343,406	20,090,058	6,155,853
Professional fees	6,168,870	4,954,439	16,534,208	11,036,207
Salaries and wages	3,943,800	2,575,081	14,314,211	8,869,123
Depreciation and amortization (see Note 6)	794,280	3,779,309	2,682,986	11,323,525
Advertising and promotion	476,200	105,000	2,395,146	2,243,794
Travel and transportation	226,851	181,320	1,792,738	796,795
Office Supplies	183,519	139,551	1,710,845	819,718
Staff Meeting	309,137	44,035	1,452,831	130,457
Insurance	122,609	142,135	988,255	319,030
Impairment Loss	755,187	23,700	857,195	1,454,334
Communication	34,175	188,011	622,611	536,155
Bank Charges	266,669	118,003	576,931	251,553
Rental (see Note 23)	–	747,634	497,800	1,303,739
Listing fees (see Note 1 and 19)	30,000	–	–	724,465
Corporate Social Responsibility	–	–	–	–
Others	5,441,156	3,230,332	12,516,358	10,957,664
	₱37,378,702	₱22,481,451	₱98,829,074	₱76,880,387

17. Earnings per Share

Earnings per common share amounts were computed as follows:

	Three-Month Periods Ended March 31		Nine-Month Periods Ended March 31	
	2025	2024	2025	2024
a. Net income attributable to equity holders of the parent	₱21,584,915	₱27,852,324	₱101,186,248	₱64,709,732
b. Weighted average number of common shares issued and outstanding	3,933,840,480	3,933,840,480	3,933,840,480	3,933,840,480
Earnings per common share (a/b)	₱0.01	₱0.01	₱0.03	₱0.04

There are no dilutive potential common shares for the three-month periods ended March 31, 2025 and 2024.

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:

March 31, 2025 (9 months)

	Parent	Wind	Hydro	Solar	RES	TPLC	AMSI	Total	Adjustments	Consolidated
Income/(Expenses)										
Revenue from sale of electricity	P-	P-	P-	P 260,738,519	P-	P-	P-	P 260,738,519	P-	P 260,738,519
Cost of sale of electricity	-	-	-	(123,814,741)	-	-	-	(123,814,741)	(6,623,702)	(130,438,443)
Equity in net earnings of associates	-	-	-	-	-	-	-	-	15,139,654	15,139,654
General and administrative expenses	(32,192,747)	(9,418,636)	(7,789,804)	(68,902,455)	(2,437,711)	(1,267,523)	-	(122,008,875)	23,179,801	(98,829,074)
Finance Costs	(158,722,072)	-	-	(61,319,712)	-	-	-	(220,041,784)	139,709,656	(80,332,129)
Project cost recovery and others	-	69,454,806	-	-	-	-	-	69,454,806	-	69,454,806
Net foreign exchange gain (loss)	251,356	(2,739,203)	1,790,641	(1,109,063)	-	(770)	-	(1,807,039)	-	(1,807,039)
Advisory fees	-	-	-	16,054,499	-	-	-	16,054,499	(13,159,499)	2,895,000
Interest Income/Expense to Related Party	241,464,995	(180,671,757)	(33,491,766)	(27,301,472)	-	-	-	-	-	-
Interest income	34,779,015	27,535,684	2,815,186	8,867,516	3,392	50	-	74,000,844	-	74,000,844
Dividend income	22,781,500	-	-	11,081,962	-	-	-	33,863,462	(33,863,462)	-
Segment income (loss)	108,362,047	(95,839,106)	(36,675,742)	14,295,053	(2,434,319)	(1,268,242)	-	(13,560,310)	124,382,449	110,822,139
Provision for (benefit from) income tax	-	(1,612,496)	-	3,758,340	-	-	-	2,145,844	(405,235)	1,740,609
Net income (loss)	P108,362,047	(P94,226,610)	(P36,675,742)	P10,536,713	(P2,434,319)	(P1,268,242)	-	(P15,706,154)	P124,787,683	P109,081,530
Other information										
Investment in and advances to associates	P-	P248,676,560	P146,970,581	P139,218,885	P-	P-	P-	P534,866,025	(P153,148,362)	P381,717,664
Property, plant and equipment	P4,132,193	P3,131,193,031	P132,947	P1,366,239,067	P-	P1,010,500	P-	P4,502,707,738	P241,171,230	P4,743,878,968
Segment assets	P6,374,017,066	P10,394,937,278	P1,068,247,519	P4,291,978,637	P22,116,355	P101,206,680	P1,250,000	P22,253,753,534	(P8,586,205,044)	P13,667,548,490
Segment liabilities	(P2,786,025,855)	(P10,236,583,271)	(P1,193,470,658)	(P3,413,255,902)	(P1,656,083)	(P102,449,923)	-	(P17,733,441,692)	P8,325,183,884	(P9,408,257,807)
Depreciation and amortization	P780,888	P165,549	P21,371	(P30,866)	-	-	-	P936,943	-	P936,943

March 31, 2025 (3 months)

	Parent	Wind	Hydro	Solar	RES	TPLC	AMSI	Total	Adjustments	Consolidated
Income/(Expenses)										
Revenue from sale of electricity	P-	P-	P-	P79,550,744	P-	P-	P-	P79,550,744	P-	P79,550,744
Cost of sale of electricity	-	-	-	(42,722,430)	-	-	-	(42,722,430)	(3,311,851)	(46,034,281)
Equity in net earnings of associates	-	-	-	-	-	-	-	-	13,470,616	13,470,616
General and administrative expenses	(16,206,789)	(6,005,880)	(3,726,908)	(23,923,251)	(508,378)	(1,232,123)	-	-	(51,603,329)	14,224,627
Project cost recovery and others	-	69,001,290	-	-	-	-	-	69,001,290	-	69,001,290
Finance costs	(58,213,332)	-	-	(20,490,379)	-	-	-	(78,703,711)	51,343,500	(27,360,210)
Net foreign exchange gain (loss)	59,976	(347,693)	814,003	(679,601)	-	(1,158)	-	(154,472)	-	(154,472)
Advisory fees	-	-	-	5,202,127	-	-	-	5,202,127	(4,227,127)	975,000.00
Interest income	9,774,639	23,610,736	1,193	2,977,475	1,243	26	-	36,365,312	-	36,365,312
Interest Income/Expense to Related Party	94,568,326	(72,659,052)	(12,063,302)	(9,845,972)	-	-	-	-	-	-
Dividend income	6,000,000	-	-	-	-	-	-	6,000,000	(6,000,000))	-
Segment income (loss)	122,175,767	(35,768,484)	(23,628,487)	(2,690,377)	(1,117,277)	(34,988)	-	(45,612,241)	65,499,765	19,887,524
Provision for (benefit from) income tax	-	(1,612,496.05)	-	1,173,259.75	-	-	-	(439,236.30)	(162,093.12)	(601,329)
Net income (loss)	P35,982,820	(P54,949,181)	(P14,975,014)	(P11,104,546)	(P507,134)	(P1,233,254)		(P46,786,310)	P 65,499,765	P18,713,456
Other information										
Investment in and advances to associates	P-	P82,892,183	P48,990,194	P46,406,295	P-	P-	P-	P178,288,671	(P41,884,988)	P136,403,683
Property, plant and equipment	P4,132,193	P3,131,193,031	P132,947	P1,366,239,067	P-	P1,010,500	P-	P4,502,707,738	P41,171,230	P4,743,878,968
Segment assets	P6,374,017,066	P10,394,937,278	P1,068,247,519	P4,291,978,637	P22,116,355	P101,206,680	P1,250,000	P22,253,753,534	(P8,586,205,044)	P13,667,548,490
Segment liabilities	(P2,786,025,855)	(P10,236,583,271)	(P1,193,470,65)	(P3,413,255,90)	(P1,656,083)	(P102,449,923)	P-	(P17,733,441,692)	P8,325,183,884	(P9,408,257,807)
Depreciation and amortization	(P392,777)	(P298,992)	(P15,371)	(P87,139)	P-	P-	P-	(P794,280)	P-	(P794,280)

March 31, 2024 (9 months)

	Parent	Wind	Hydro	Solar	RES	Total	Adjustments	Consolidated
Income/(Expenses)								
Revenue from sale of electricity	P-	P-	P-	P82,311,825	P-	P82,311,825	P-	P82,311,825
Cost of sale of electricity	-	-	-	(28,592,276)	-	(28,592,276)	2,045,976	(26,546,300)
Equity in net earnings of associates	-	-	-	-	-	-	14,013,710	14,013,710
General and administrative expenses	(4,459,550)	(2,478,206)	(2,088,700)	(26,121,312)	(582,308)	(35,730,076)	16,950,526	(18,779,550)
Construction revenue	-	-	-	(1,119,255,944)	-	(1,119,255,944)	-	(1,119,255,944)
Construction costs	-	-	-	1,119,255,944	-	1,119,255,944	-	1,119,255,944
Finance costs	(4,903,512)	-	1,000	(23,789,005)	-	(28,691,517)	-	(28,691,517)
Net foreign exchange gain (loss)	1,909,073	503,435	353,486	1,298,553	-	4,064,546	-	4,064,546
Amortization of intangible assets	-	-	-	-	-	-	(3,701,901)	(3,701,901)
Advisory fees	-	-	-	17,548,860	-	17,548,860	(16,738,860)	810,000
Interest income	11,447,021	74,885	1,339,425	2,114,228	15	14,975,574	-	14,975,574
Dividend income	-	-	-	-	-	-	-	-
Segment income (loss)	3,993,032	(1,899,886)	(394,789)	24,770,872	(582,293)	25,886,936	12,569,451	38,456,387
Provision for (benefit from) income tax	-	-	-	1,573,358	-	1,573,358	(123,196)	1,450,162
Net income (loss)	P3,993,032	(P1,899,886)	(P394,789)	P23,197,514	(P582,293)	P24,313,577	P12,692,648	P37,006,225
Other information								
Investment in and advances to associates	P-	P82,571,762	P-	P35,083,196	P-	P117,654,958	P59,699,332	P177,354,290
Property, plant and equipment	P11,142,562	P-	P130,198	P2,134,958,306	P-	P2,146,231,066	P165,321,748	P2,311,552,814
Segment assets	P3,742,831,550	P814,966,611	P184,745,141	P2,392,973,732	P1,261,443	P8,242,515,876	(P1,298,170,507)	P6,944,345,369
Segment liabilities	P253,115,831	P763,295,561	P681,216,617	P1,943,669,670	P486,467	P3,641,784,147	(P1,013,449,203)	P2,628,334,944
Depreciation and amortization	P-	P-	P6,169	P23,003,523	P-	P23,009,692	P1,655,925	P24,665,617

March 31, 2024 (3 months)

	Parent	Wind	Hydro	Solar	RES	Total	Adjustments	Consolidated
Income/(Expenses)								
Revenue from sale of electricity	P-	P-	P-	P41,509,523	P-	P41,509,523	P-	P41,509,523
Cost of sale of electricity	-	-	-	(11,357,011)	-	(11,357,011)	-	(11,357,011)
Equity in net losses of associates	-	-	-	-	-	-	15,799,282	15,799,282
General and administrative expenses	(4,104,946)	(567,835)	(708,914)	(8,529,779)	(32,668)	(13,944,142)	-	(13,944,142)
Construction revenue	-	-	-	343,591,454	-	343,591,454	-	343,591,454
Construction costs	-	-	-	(343,591,454)	-	(343,591,454)	-	(343,591,454)
Finance costs	(7,541,288)	-	-	(15,508,733)	-	(23,050,021)	-	(23,050,021)
Net foreign exchange gain (loss)	(882,439)	(733,686)	1,880,238	(155,574)	-	108,539	-	108,539
Advisory fees	-	-	-	3,123,953	-	3,123,953	-	3,123,953
Interest and other income	63,500	1,443	53	1,912,946	11	1,977,953	-	1,977,953
Segment income (loss)	(12,465,173)	(1,300,078)	1,171,377	10,995,324	(32,657)	(1,631,207)	15,799,282	14,168,074
Provision for (benefit from) income tax	-	-	-	1,371,194	-	1,371,194	-	1,371,194
Net income (loss)	(P12,465,173)	(P1,300,078)	P1,171,377	P9,624,130	(P32,657)	(P3,002,402)	P15,799,282	P12,796,881
Other information								
Investment in and advances to associates	P-	P77,931,259	P50,093,571	P11,465,088	P-	P139,489,918	P37,628,659	P177,118,577
Property, plant and equipment	P-	P-	P1,923	P873,951,083	P-	P873,953,006	P-	P873,953,006
Segment assets	P2,370,266,344	P395,201,743	P445,479,788	P2,644,430,905	P1,456,503	P5,856,835,283	(P1,089,843,749)	P4,766,991,534
Segment liabilities	P316,687,205	P260,114,811	P491,672,739	P1,859,467,615	P26,669	P2,927,969,039	(P698,276,651)	P2,229,692,388
Depreciation and amortization	P-	P-	P387	P28,243,282	P-	P28,243,282	P-	P28,243,282

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:

	March 31, 2025			Total
	On demand	Within one year	More than 1 year	
Financial Assets				
Cash and cash equivalents	₱3,218,875,941	₱–	₱–	₱3,218,875,941
Trade and other receivables	–	236,454,566	–	690,811,016
Restricted cash and placements ^(A)	–	273,144,901	413,532,350	686,677,251
Due from related parties	1,035,730,570	–	–	1,035,730,570
	₱4,254,606,511	₱509,599,467	₱413,532,350	₱5,177,738,328

March 31, 2025				
	On demand	Within one year	More than 1 year	Total
Financial Liabilities				
Accounts payable and accrued expenses ^(B)	P–	P710,175,398	P–	P710,175,398
Dividend payable	–	52,240,492	–	52,240,492
Due to related parties	1,913,227	–	–	1,913,227
Short-term loan	–	745,659,706	–	745,659,706
Lease liabilities	–	48,756,322	303,660,922	352,417,244
Long-term debt ^(C)	–	58,355,743	7,440,629,205	7,498,984,948
	P1,913,227	P1,615,187,661	P7,744,290,127	P9,361,391,015

(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	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 March 31, 2025 and June 30, 2024:

	Neither Past Due nor Impaired		Past Due		Total
	High Grade	Standard Grade	Unimpaired	Impaired	
Cash and cash equivalents ^(A)	P3,218,875,941	P–	P–	P–	P3,218,875,941
Trade and other receivables	–	236,454,566	–	–	236,454,566
Restricted cash and placements	727,501,351	–	–	–	727,501,351
Due from related parties	–	1,035,730,570	–	–	1,035,730,570
	P3,946,377,292	P1,272,185,136	P–	P–	P5,218,562,428

(A) Excluding cash on hand

	Neither Past Due nor Impaired		Past Due		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 March 31, 2025 and June 30, 2024, are as follows:

	Neither past due nor impaired	Past due but not impaired				Impaired	Total
		Less than 30 days	31 to 60 Days	61 to 90 days	More than 90 Days		
Cash and cash equivalents ^(A)	P3,218,875,941	P–	P–	P–	P–	P–	P3,218,875,941
Trade and other receivables	236,454,566	–	–	–	–	–	236,454,566
Restricted cash and placements	727,501,351	–	–	–	–	–	727,501,351
Due from related parties	1,035,730,570	–	–	–	–	–	1,035,730,570
	P5,218,562,428	P–	P–	P–	P–	P–	P5,218,562,428

(A) Excluding cash on hand

	Neither past due nor impaired	Past due but not impaired				Impaired	Total
		Less than 30 days	31 to 60 Days	61 to 90 days	More than 90 Days		
Cash and cash equivalents ^(A)	P2,558,617,534	P–	P–	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
	P3,697,682,599	P–	P–	P–	P–	P–	P3,697,682,599

(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:

	March 31, 2025					
		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	P45,583,819	P-	P-	P-	P-	P45,583,819
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	P79,457,486	P-	P-	P-	P-	P79,457,486
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, 2025 and June 30, 2024, 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:

	March 31, 2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
High grade*	P3,218,875,941	P-	P-	P3,218,875,941
Standard grade	-	1,035,730,570	-	1,035,730,570
Default	-	-	-	-
Gross carrying amount	3,218,875,941	1,035,730,570	-	4,254,606,511
Loss allowance	-	-	-	-
Carrying amount	P3,218,875,941	P1,035,730,570	P-	P4,254,606,511

*Excluding cash on hand

	June 30, 2024			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
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 March 31, 2025 and June 30, 2024:

	March 31, 2025		June 30, 2024	
	Original Currency	Peso Equivalent	Original Currency	Peso Equivalent
Financial Assets				
Cash and cash equivalents	\$3,750,746	₱214,580,157	\$3,738,956	₱219,140,211
Due from related party	\$413,027	₱23,629,244	\$1,259,248	73,804,519
	\$4,163,773	₱238,209,401	\$4,998,204	₱292,944,730

As of March 31, 2025 and June 30, 2024, the exchange rates used were ₱57.21 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		
March 31, 2025	₱11,910,470	(₱11,910,470)
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, 2025 and June 30, 2024, 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 March 31, 2025 and June 30, 2024, the Group's total equity amounted to ₱4.3 billion. 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:

	March 31, 2025	June 30, 2024
Short-term loan	₱745,659,706	₱248,780,784
Long-term debts	7,498,984,948	3,470,963,226
Due to related parties	1,913,227	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	137,970,896	67,183,056
	₱11,860,072,660	₱7,272,159,437

22. Significant Contracts, Agreements and Commitments

Solar Energy

SSAI

- *Service Contract of Balsik Solar Power Project.* On December 23, 2015, SSAI was awarded SESC No. 2015-10-260 for the exclusive right to explore and develop the Balsik 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 ₱137.0 million and ₱135.6 million for the nine-month periods ended March 31, 2025 and 2024, respectively, and ₱44.4 million and ₱47.6 million for the three-month periods ended March 31, 2025 and 2024, 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 ₱123.7 million and ₱46.9 million for the nine-month periods ended March 31, 2025 and 2024, respectively, and ₱35.1 million and ₱34.7 million for the three-month periods ended March 31, 2025 and 2024, respectively.

- *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 ("SBL").* 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 April 29, 2025, 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:

- a) 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;
- b) 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;
- c) 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
- d) 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:

- i. 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;
- ii. 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;
- iii. 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;
- iv. 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 April 29, 2025, 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 April 29, 2025.

- 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 March 31, 2025, the Group has started construction activities of three projects: 128 MW Tanay Wind Project, 64 MW Alabat Wind Project and 28 MW_p Balsik Solar Project as part of the Group's Road to 500 MW by 2026. With this, the Group has committed to spend a total of ₱20 billion of capital expenditures for these three projects, which are expected to be completed in 2025.

To fund these three projects, the Group has secured debt financing of ₱8.0 billion from Bank of the Philippine Islands and Security Bank Corporation for the Tanay Wind Project, and ₱5.3 billion and ₱1.0 billion from Rizal Commercial Banking Corporation for the Alabat Wind Project and Balsik Solar Project, respectively. Of these facilities, ALTER has made full drawdown for its Balsik Solar Project, and partial drawdowns for the Tanay and Alabat Wind Projects.

The balance will be funded through equity by ALTER.

- 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 March 31, 2025, 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.

For the nine-month period ended March 31, 2025, the 15.3 MW_p Palau Solar PV and 12.9 MWh BESS Project ("Palau Solar and BESS Project"), which started commercial operations on December 31, 2023, accounted for 45% of the Group's generation revenues in 2025.

The Palau Solar and BESS Project, the largest PV and BESS project in the Western Pacific, is the Group's first venture outside of the Philippines, with revenues and tariffs denominated in USD.

- 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.

The wind energy generation of the Pililla Wind Project for the nine-month period ended March 31, 2025 was lower as compared to the previous nine-month period ended March 31, 2024 which saw higher wind speeds. These values vary year-on-year but even out over the life of a typical wind farm.

FY2025 vs FY2024 Q3 Highlights

As at March 31, 2025 vs June 30, 2024 and for the nine-month and three-month periods ended March 31, 2025 vs 2024

Corporate and Operations

Significant developments of the Group:

- 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 Balsik (Solana) Solar Project.
- On September 2, 2024, the Group commenced the construction of the Balsik (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"). TPLC will consolidate ownership of land used as project sites for ALTER's various wind, solar or run-of-river hydro projects. ALTER envisions TPLC as a platform for a future REIT.
- 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, the Tanay Wind Project successfully made its first drawdown from its long-term facility loan agreement with Bank of the Philippine Islands and Security Bank Corporation for ₱1.5 billion.
- 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 ₱40.0 million to be paid to holders of Perpetual Preferred Shares 1 and Perpetual Preferred Shares 2 – Series A. Subsequently, on December 18, 2024, ALTER remitted a total of ₱117.93 million as coupon payments to Government Service Insurance System, as holders of ALTER's Perpetual Preferred Shares 2 – Series A.
- On November 7, 2024, the Group, through AWHC, took full control of the Tablas Strait Offshore Wind Power Corporation which is developing the Tablas Strait 1, 2, and 3 Offshore Wind Projects (collectively, the "Tablas Projects"). AWHC acquired the interest held by Shell Overseas Investment B.V. in the Tablas Projects.
- In November 2024, the Group, through its Alabat Wind Project, signed a long-term lease agreement with the Philippine National Railways ("PNR") for a parcel of land located in Lopez, Quezon as the site for the project's switching station.
- On December 18, 2024, the Tanay Wind Project successfully made its second drawdown from its long-term facility loan agreement for ₱2.0 billion.
- On December 19, 2024, ALTER signed a one-year promissory note with RCBC amounting to ₱500.0 million for general working capital requirements.
- On December 26, 2024, the Balsik (Solana) Solar Project signed an Omnibus Agreement with RCBC for a project finance facility of up to ₱1.0 billion to finance its project costs. This had been subsequently drawn in full as of April 2025.
- On January 20, 2025, ALTER has appointed two financial advisors, AlphaPrimus Advisors and Astris Finance, for its next capital raising initiative following a rigorous selection process. The said financial advisors will advise on various options for ALTER's capital raising framework to support the roll-out of its Road to 500 MW capacity target.
- On March 24, 2025, the SEC approved the amendment of its Article Seventh of its Amended Articles of Incorporation to remove the transfer restrictions in respect of its Perpetual Preferred 1 Shares ("PPS1").
- ALTER has been included in the list of sustainability-based equity investment portfolio managed by fund management firm, ATRAM Trust Corporation ("ATRAM"). The ATRAM Philippine Sustainable Development and Growth Fund ("ATRAM SDG Fund") focuses on investing in companies that contribute to sustainable development and growth, aligning with the United Nation's Sustainable Development Goals ("UN SDGs"). ALTER joins ATRAM's list of top 20 publicly listed companies under its sustainable equity portfolio that score high in terms of integrating UN SDGs into their operations and strategies. ATRAM particularly noted the comprehensive content laid out in ALTER's 2024 Sustainability Report and the level of transparency exhibited in the report and the ATRAM Survey, providing insights and guidance for other companies to replicate. The ATRAM Sustainable Investing Champions also recognized ALTER as one of the outstanding Philippine companies for its commitment in SDG 7 Affordable and Clean Energy and initiatives in sustainability.
- Alternergy Wind Holdings Corporation ("AWHC") has been awarded a new onshore wind power project in the province of Albay by the Department of Energy ("DOE"). The DOE awarded AWHC with a Certificate of Authority ("COA") to exclusively undertake exploration and assessment of wind resources for the Albay Wind Power Project located across seven (7) municipalities in the

province of Albay, with a project area of 6,318 hectares that could accommodate at least 150MW wind capacity. The COA, if proven commercially viable, will be converted to a 25-year Wind Energy Service Contract.

- In March 2025, the Balsik Solar Project has received its first tranche of project funding from its lender, Rizal Commercial Banking Corporation ("RCBC"), totaling ₱800.5 million out of the ₱1.03 billion project finance facility, for the ongoing construction works of the 28 MWp Balsik Solar Power Project located in Hermosa, Bataan.
- The Balsik Solar Project's final tranche was drawn in April 2025, amounting to ₱232.5 million, which bodes well towards the completion of the project within Q3 2025 and will start contributing revenues to the Group.
- On April 8, 2025, Alabat Wind Power Corporation ("AWPC"), has taken delivery of the first two (2) units of 8MW wind turbine generators, the largest wind turbine generators to be installed in the Philippines, in Alabat Island, Province of Quezon. Built by Envision Energy for the Alabat Wind Project, the towers have a maximum height of 195 meters, with three (3) blades that are 90 meters long each and having a total wingspan of 182 meters wide.
- On April 10, 2025, AWPC has received ₱3.3 billion from its project lender, Rizal Commercial Banking Corporation ("RCBC"), out of its ₱5.3 billion total project finance facility in respect of the Alabat Wind Power Project, which is expected reach commercial operations by Q4 2025.

Financials and Key Performance Indicators

Consolidated Statements of Comprehensive Income

The Group posted a consolidated net income of ₱109 million, which includes a one-time gain from the acquisition of the Tablas Offshore Wind Projects, for the nine-month period ended March 31, 2025 compared to the ₱158 million posted in the same period in 2024, which included one-time gain. Recurring net income for this period exceeded target by 23% as more operating assets brought in steady revenue flow, which puts the Group on track to achieving its year-end targets.

Revenue from sale of electricity was significantly higher by 43% at ₱261 million for the nine-month period ended March 31, 2025 as compared to ₱182 million for the same period in 2023. This increase was driven by inclusion of nine-month operating results of the Palau Solar and BESS Project, which now accounts for 45% of the Group's revenues.

Cost of sale of electricity for the nine-month period ended March 31, 2025 is at ₱130 million, which represents the normal expected level of costs, from ₱49 million in 2024, as there were no related cost of sale for test revenues for the Palau Solar and BESS Project recognized for the same period in 2024.

General and administrative expenses was manageable for the nine-month period ended March 31, 2025 at ₱99 million due to higher taxes and licenses, and one-time write-down of an early-stage, non-viable project in pre-development.

Other charges – net is significantly lower by ₱22 million in 2025 for the nine-month period ended March 31, 2025, owing to higher interest income in 2025 by ₱44 million, but offset by higher finance costs of ₱21 million.

The Group's earnings before interest, taxes, depreciation and amortization ("EBITDA") continues to have an uptrend as the nine-month period ended March 31, 2025 is higher by 9% at ₱291 million as compared to ₱267 million for the same period in 2023, while awaiting the completion of four projects under construction with a total capacity of 225 MW.

Consolidated Statements of Financial Position as at March 31, 2025 vs June 30, 2024

Current assets increased by 33% to ₱5 billion as of March 31, 2025.

The Group's cash remains robust at ₱3.2 billion as of March 31, 2025, increasing from ₱2.6 billion as of June 30, 2024, after significant investments of ₱3.9 billion to jumpstart construction of Tanay, Alabat, Balsik, Dupinga and Kiangnan Projects, including a dividend payment of ₱40 million. As of March 31, 2025, successful loan drawdowns were made amounting to ₱500 million by ALTER, ₱3.5 billion the Tanay Wind Project and ₱800.5 million the Balsik Solar Project.

Consolidated assets of the Group increased to ₱14 billion as of March 31, 2025, up from ₱9 billion as of June 30, 2024.

Current liabilities increased by ₱905 million from ₱745.4 million as of June 30, 2024 to ₱1.7 billion as of March 31, 2025. This was mostly due to the short-term loan entered into by ALTER for ₱500 million for general working capital requirements, partially offset by the payment of third party advances amounting to ₱214 million.

Noncurrent liabilities was higher as at March 31, 2025 at ₱8 billion from ₱3.7 billion as at June 30, 2024 mainly due to the drawdowns made by ALTER, the Tanay Wind Project, and Balsik Solar Project.

Equity remained steady at ₱4.3 billion, with the Group's consolidated debt-to equity ratio at a manageable level of 1.9:1.0 as of March 31, 2025 from 0.9:1.0 as of June 30, 2024. Consolidated retained earnings significantly grew to ₱138 million as at March 31, 2025 as compared to ₱67 million as at June 30, 2024.

Financial Ratios

Ratio	Formula	March 31, 2025	June 30, 2024
Current ratio ⁽¹⁾	Dividing total current assets over total current liabilities	3.00	4.99
Acid test ratio	Dividing quick assets by the current liabilities	2.11	4.96
Solvency ratio	Dividing net income excluding depreciation over total debt obligations	0.02	0.06
Debt-to-equity ratio ⁽²⁾	Dividing total interest-bearing debts over stockholders' equity	1.99	0.87
Asset-to-equity ratio ⁽³⁾	Dividing total assets over total stockholders' equity	3.21	2.03
Interest rate coverage ratio	Dividing earnings before interest and taxes of one period over interest expense of the same period	2.38	2.75
Return on equity (%) ⁽⁴⁾	Dividing the net income (annual basis) by total stockholders' equity (average)	2.59%	3.69%
Return on assets (%) ⁽⁵⁾	Dividing the net income (annual basis) by the total assets (average)	0.99%	1.90%
Net profit margin (%)	Dividing net income by the total revenue	42.50%	47.13%
EBITDA margin (%)	Dividing the EBITDA by the total revenue	86.49%	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
21-Apr-25	Alternergy's Alabat Wind Project receives PhP 3.256 billion drawdown from RCBC
14-Apr-25	As these ALTP2 shares are under Private Placement since listing on March 22, 2024, there are no changes from previous submission
14-Apr-25	ALTP2 of Alternergy Holdings Corporation ("ALTER") List of Top 100 Stockholders for the period ending March 31, 2025
14-Apr-25	ALTER List of Top 100 Stockholders for the period ending March 31, 2025
14-Apr-25	Change in Shareholdings of one of ALTER's Independent Directors, Mr. Gregory L. Domingo
11-Apr-25	Change in Shareholdings of one of ALTER's Independent Directors, Mr. Gregory L. Domingo
8-Apr-25	Alternergy takes First Delivery of Largest Wind Towers in the Country
20-Feb-25	Alternergy added to ATRAM Sustainability Fund
12-Feb-25	Amendment of Article SEVENTH of the Alternergy Holdings Corporation's ("ALTER") Articles of Incorporation
12-Feb-25	Amendment of Article SEVENTH of the Alternergy Holdings Corporation's ("ALTER") Articles of Incorporation
7-Feb-25	ALTER receives letter from SEC-CGFD imposing penalty due to non-compliance with the website template for PLCs
20-Jan-25	Alternergy appoints financial advisors for its next capital-raising initiative
17-Jan-25	ALTER incorporates wholly-owned subsidiary, AlterCore Management Services Inc.
16-Jan-25	Alternergy secures P1 billion financing from RCBC for its Balsik Solar Project
20-Dec-24	ALTER Unit, ATWC, receives second tranche of funding from Tanay Project lenders
20-Dec-24	[Amend] ALTER remits first annual dividend payment to GSIS
19-Dec-24	ALTER remits first annual dividend payment to GSIS
12-Dec-24	[Amend] Amendment of Article SEVENTH of the ALTER Articles of Incorporation
12-Dec-24	Results of Organizational Meeting of Board of Directors
12-Dec-24	ALTER conducted its Annual Shareholders' Meeting on 11 December 2024 via virtual meeting platform
11-Dec-24	[Amend] Declaration of Cash Dividends to holders of Perpetual Preferred Shares 2 - Series A of ALTER
4-Dec-24	ALTER welcomes green partnership with BPI and IFC for the Tanay Wind Power Project
4-Dec-24	[Amend] Declaration of Cash Dividends to holders of Perpetual Preferred Shares 2 - Series A of ALTER
26-Nov-24	ALTER and PNR sign lease for Alabat wind project site
21-Nov-24	ALTER has successfully received the first tranche of the financing for the Tanay Project
14-Nov-24	Information Statement
11-Nov-24	Quarterly Report
11-Nov-24	Statement of Changes in Beneficial Ownership of Securities

8-Nov-24	ALTER through Alternergy Wind Holdings Corporation ("AWHC") acquires 100% of Tablas Projects
6-Nov-24	Information Statement
6-Nov-24	Declaration of Cash Dividends to holders of Perpetual Preferred Shares 2 - Series A of ALTER
6-Nov-24	[Amend] Calling of the Annual Stockholders' Meeting of ALTER to be held on 11 December 2024
6-Nov-24	Amendment of Article SEVENTH of the Articles of Incorporation
6-Nov-24	ALTER held a Board of Directors meeting on 05 November 2024
5-Nov-24	Clarification regarding the news article entitled "Alternergy directs P2.9B to wind, solar projects"
30-Oct-24	Alternergy Holdings Corporation's subsidiary's Tanay Project gets DOE nod to increase its capacity
30-Oct-24	Clarification of News Reports
14-Oct-24	Change in Shareholdings of ALTER's President
14-Oct-24	[Amend] ALTER acquires shares of Alternergy Solar Holdings Corporation
14-Oct-24	[Amend] ALTER approves to acquire shares of Triple Play Land Corporation
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