

Agreed-Up Upon Procedures Report on the Quarterly Progress Report on the Application of Proceeds from Initial Public Offering

The Board of Directors and Shareholders

Alternergy Holdings Corporation
Level 3B, Paseo de Roxas Building
Paseo de Roxas Avenue corner Legazpi Street
Legaspi Village, Makati City

Purpose of this Agreed-upon Procedures Report

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

Restriction on Use

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

Responsibilities of the Company

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

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

Practitioner's Responsibilities

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

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

Professional Ethics and Quality Management

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

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

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

Procedures and Findings

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

We report our findings below:

1. We obtained from management the Quarterly Progress Report as at June 30, 2023 showing the following information:
 - a. Balance of net proceeds as at March 31, 2023
 - b. Amount of disbursements from April 1, 2023 to June 30, 2023 (the quarter); and
 - c. Balance of net proceeds as at June 30, 2023

Table 1. Quarterly Progress Report

Purpose	Actual Net Proceeds	Balance for Disbursement as at March 31, 2023	Actual Disbursements for the Quarter	Balance for Disbursement as at June 30, 2023
Development and construction of the projects under development	₱564,000,000	₱466,771,962	₱–	₱466,771,962
Payment of accrued liabilities on the acquired shares of Kirahon Solar Energy Corporation (KSEC)	522,186,500	–	–	–
Pre-development expenses of pipeline projects	155,000,000	155,000,000	21,327,150	133,672,850
General corporate requirements	127,224,072	101,614,920	27,897,058	73,717,862
Working capital to operationalize Retail Electricity Supply	30,000,000	30,000,000	–	30,000,000
Total	₱1,398,410,572	₱753,386,882	₱49,224,208	₱704,162,674

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

See details below:

Table 2. Detailed Schedule of Disbursements

Date	Description	Amount
	Payment of General Corporate Requirements	₱27,897,058
Various dates	Payment of professional fees for services obtained related to the IPO	18,536,425
June 7, 2023	Interest payments to Rizal Commercial Banking Corporation	4,446,750
Various dates	Payment for software licenses and support	2,051,203
June 23, 2023	Payment of legal services for the Kiangnan Mini Hydro Project	1,597,680
April 5, 2023	Document stamp tax on IPO shares	1,265,000
	Pre-development Expenses of Pipeline Projects	21,327,150
Various dates	Advances to Alternergy Tanay Wind Corporation for the Tanay Wind Project	17,677,150
Various dates	Advances to Ibulao Mini Hydro Corporation for the Ibulao Mini Hydro Project	3,650,000
Total		₱49,224,208

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

4. We obtained a complete list of bank accounts where the IPO proceeds are maintained and traced interbank transfers to bank statements. We noted the following:
 - The Company transferred ₱5.0 million from its current account to a savings account maintained in a different bank. We traced the interbank transfer to the bank statement of the receiving savings account and noted no exception.
 - From the savings account maintained in another bank, we noted that the Company made transfers to the Company's US Dollar account amounting to ₱5.6 million and to the Company's savings account maintained in a different bank amounting to ₱0.5 million. We traced the interbank transfer to the bank statements of the receiving accounts and noted no exception.
5. We traced the remaining balance of the net proceeds as of quarter-end to the bank statements as of the same period. We noted that the balances per bank statements are higher than the balances in the table above as these include beginning balances and interest income earned, net of final withholding taxes, general and administrative expense, collection of receivables and related party transactions which are not part of the proceeds from the IPO.
6. We compared the nature and amounts of disbursements in the Quarterly Progress Report as of the end of quarter to the use of proceeds section of the Offering Circular. We did not note any exception. Refer to Tables 1 and 2 above.

7. We obtained minutes of meetings of the Board of Directors (BOD) for the quarter and inspected if there were reallocations or changes in the schedule of planned use of proceeds from the Offering and noted that during the Regular Meeting of the BOD held on May 10, 2023, the Company's BOD approved the reallocation of a portion of the IPO proceeds amounting to ₱226.0 million originally intended for the development of the Lamut Hydro Project to be used for the development of the Solana Solar Project.

Explanatory Paragraph

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

This AUP report relates only to the Quarterly Progress Report as at and for the quarter ended June 30, 2023, as specified above and do not extend to the financial statements of the Company, taken as a whole.

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

SYCIP GORRES VELAYO & CO.



Leovina Mae V. Chu

Partner

CPA Certificate No. 99910

Tax Identification No. 209-316-911

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 99910-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-096-2020, November 27, 2020, valid until November 26, 2023

PTR No. 9566016, January 3, 2023, Makati City

July 14, 2023