

# 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  
Dec 31, 2024
2. SEC Identification Number  
CS201627300
3. BIR Tax Identification No.  
009-468-103
4. Exact name of issuer as specified in its charter  
SP New Energy Corporation
5. Province, country or other jurisdiction of incorporation or organization  
Philippines
6. Industry Classification Code(SEC Use Only)  
[REDACTED]
7. Address of principal office  
Rockwell Business Center, Ortigas Avenue, Barangay Ugong, Pasig City, Philippines  
Postal Code  
1604
8. Issuer's telephone number, including area code  
(0917) 560 7351
9. Former name or former address, and former fiscal year, if changed since last report  
N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	50,073,050,000
Preferred "B"	19,404,202,552

11. Are any or all of registrant's securities listed on a Stock Exchange?

☒ Yes ☐ No

If yes, state the name of such stock exchange and the classes of securities listed therein:

The Philippine Stock Exchange, Inc. ("PSE"); common shares

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

☒ Yes ☐ No

(b) has been subject to such filing requirements for the past ninety (90) days

☒ Yes ☐ No

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

PhP 11,520,014,594.25

**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.

☒ Yes ☐ No

**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) Any annual report to security holders

n/a

(b) Any information statement filed pursuant to SRC Rule 20

n/a

(c) Any prospectus filed pursuant to SRC Rule 8.1

n/a

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*

**SP New Energy Corporation  
SPNEC**

**PSE Disclosure Form 17-1 - Annual Report**  
**References: SRC Rule 17 and**  
**Section 17.2 and 17.8 of the Revised Disclosure Rules**

For the fiscal year ended	Dec 31, 2024
Currency	PhP

**Balance Sheet**

	Year Ending	Previous Year Ending
	Dec 31, 2024	Dec 31, 2023
Current Assets	6,642,423,601	11,224,119,104
Total Assets	91,367,157,781	51,182,814,306
Current Liabilities	10,042,122,255	1,466,879,475
Total Liabilities	25,346,374,815	8,762,839,303
Retained Earnings/(Deficit)	3,942,292,359	5,546,151,067
Stockholders' Equity	66,020,782,966	42,419,975,003
Stockholders' Equity - Parent	62,677,856,869	39,385,108,907
Book Value Per Share	1.31	1.23

**Income Statement**

	Year Ending	Previous Year Ending
	Dec 31, 2024	Dec 31, 2023
Gross Revenue	1,200,134,185	635,451,217
Gross Expense	-563,911,783	-327,103,277
Non-Operating Income	-56,123,910	6,008,335,292
Non-Operating Expense	-1,734,976,491	-207,914,077
Income/(Loss) Before Tax	-1,093,517,553	5,971,530,581
Income Tax Expense	73,641,155	23,949,830
Net Income/(Loss) After Tax	-1,167,158,708	5,947,580,751
Net Income/(Loss) Attributable to Parent Equity Holder	-1,603,858,708	5,706,730,751
Earnings/(Loss) Per Share (Basic)	-0.03	0.23
Earnings/(Loss) Per Share (Diluted)	-0.03	0.23

**Financial Ratios**

	Formula	Fiscal Year Ended	Previous Fiscal Year
		Dec 31, 2024	Dec 31, 2023
<b>Liquidity Analysis Ratios:</b>			
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	0.66	7.65
Quick Ratio	(Current Assets - Inventory - Prepayments) / Current Liabilities	0.66	7.63
Solvency Ratio	Total Assets / Total Liabilities	-0.06	0.7
<b>Financial Leverage Ratios</b>			
Debt Ratio	Total Debt/Total Assets	0	0
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	0.38	0.21
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	-2.87	36.71
Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	1.38	1.21
<b>Profitability Ratios</b>			

<b>Gross Profit Margin</b>	<b>Sales - Cost of Goods Sold or Cost of Service / Sales</b>	0	0
<b>Net Profit Margin</b>	<b>Net Profit / Sales</b>	0	0
<b>Return on Assets</b>	<b>Net Income / Total Assets</b>	-1.64	11.62
<b>Return on Equity</b>	<b>Net Income / Total Stockholders' Equity</b>	-2.15	14.02
<b>Price/Earnings Ratio</b>	<b>Price Per Share / Earnings Per Common Share</b>	0	0

#### Other Relevant Information

Please refer to the attached SEC Form 17-A

#### Filed on behalf by:

<b>Name</b>	Arrenz Joseph Magnabihon
<b>Designation</b>	Head, Investor Relations and Corporate Communications



# COVER SHEET

C S 2 0 1 6 2 7 3 0 0

S.E.C. Registration Number

S P N E W E N E R G Y C O R P O R A T I O N

( f o r m e r l y S o l a r P h i l i p p i n e s

N u e v a E c i j a C o r p o r a t i o n )

(Company's Full Name)

R o c k w e l l B u s i n e s s C e n t e r ,

O r t i g a s A v e n u e , B a r a n g a y

U g o n g , P a s i g C i t y 1 6 0 4

(Business Address of the Company)

Jo Marianni P. Ocampo-Jalbuena

Contact Person

0 9 1 7 - 5 6 0 7 3 5 1

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

SEC Form 17-A

Form Type

1<sup>st</sup> Monday of May each year

Regular Meeting

Certificate of Permit to Offer Securities for Sale (Pursuant to SEC MSRD Order No. 87, Series of 2021)

Secondary License type, if applicable

MSRD/CMD/ICTD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = Pls. use black ink 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: **31 December 2024**
2. SEC Identification Number: **CS201627300** 3. BIR Tax Identification No.: **009-468-103-000**
4. **SP NEW ENERGY CORPORATION**  
Exact name of issuer as specified in its Charter:
5. **Metro Manila, Philippines**  
Province, country, or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code
7. **Rockwell Business Center, Ortigas Avenue, Barangay Ugong, Pasig City 1604, Philippines**  
Address of principal office and postal code
8. **+63 (917) 560-7351**  
Issuer's telephone number, including area code
9. **112 Legaspi Street, Legaspi Village, Barangay San Lorenzo, Makati City 1229, Philippines**  
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 Sections 4 and 8 of the RSA<sup>1</sup>

Title of Each Class	Number of Voting Shares and Amount of Debt Outstanding
<b>Common</b>	<b>50,073,050,000 shares</b>
<b>Preferred "B"</b>	<b>19,404,202,552 shares</b>

11. Are any or all of these securities listed on a stock exchange?

Yes [ ☒ ] No [ ☐ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

**The Philippine Stock Exchange, Inc. ("PSE"); common shares**

12. Check whether the Issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder, or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, or 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); and

Yes [ ☒ ] No [ ☐ ]

---

<sup>1</sup> The Company's voting stock is composed of 69,477,252,552 shares, broken down as follows: 50,073,050,000 common shares and 19,404,202,552 preferred "B" shares. Out of the 69,477,252,552 shares, 8,124,350,005 common shares are registered with the Securities and Exchange Commission ("SEC"). The rest of the shares were exempt from the registration requirement under the Securities Regulation Code ("SRC") at the time of their issuance.

(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.

The aggregate market value of the common stock held by non-affiliates of the Company as of 31 March 2025 is **PhP11,520,014,594.25**.

[This portion of the Annual Report was intentionally left blank]

## TABLE OF CONTENTS

Part and Item No.	Description	Page No.
<b>Part I</b>	<b>Business and General Information</b>	
Item 1	Business	4-6
Item 2	Properties	6-7
Item 3	Legal Proceedings	7
Item 4	Submission of Matters to a Vote of Security Holders	7-9
<b>Part II</b>	<b>Operational and Financial Information</b>	
Item 5	Market for Issuer's Common Equity and Related Stockholder Matters	9-13
Item 6	Management's Discussion and Analysis and Plan of Operation	13-38
Item 7	Financial Statements	38
Item 8	Information on Independent Accountant and Other Related Matters	38
<b>Part III</b>	<b>Control and Compensation Information</b>	
Item 9	Directors and Corporate Officers of the Issuer	39-44
Item 10	Executive Compensation	44-45
Item 11	Security Ownership of Certain Beneficial Owners and Management	45-48
Item 12	Certain Relationships and Related Transactions	48
<b>Part IV</b>	<b>Corporate Governance</b>	
Item 13a	Corporate Governance	48
Item 13b	Sustainability Report	48
<b>Part V</b>	<b>Exhibits and Schedules</b>	
Item 14	Exhibits and Reports on SEC Form 17-C	49-53
<b>Signature Pages</b>		
<b>Annex "A"</b>	<b>Consolidated Audited Financial Statements as of and for the year ended 31 December 2024</b>	
<b>Annex "B"</b>	<b>Parent Company Audited Financial Statements as of and for the year ended 31 December 2024</b>	
<b>Annex "C"</b>	<b>Related Party Transactions in 2024</b>	
<b>Annex "D"</b>	<b>Sustainability Report for 2024</b>	

## PART I – BUSINESS AND GENERAL INFORMATION

### Item 1. Business

SP New Energy Corporation (“**SPNEC**,” the “**Corporation**”, the “**Company**” or the “**Issuer**”), formerly Solar Philippines Nueva Ecija Corporation, was incorporated and registered with the Securities and Exchange Commission (“**SEC**”) on 23 November 2016, primarily to construct, erect, assemble, commission, operate, and maintain power-generating plants, installations, shops, laboratories, pipelines, repair shops, electrical works, powerhouses, warehouses, terminals, and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution; to promote and undertake research, development, utilization, manufacture, sale, marketing, distribution, and commercial application of new, renewable, non-conventional, and environment-friendly energy sources and systems, including, but not limited to, solar, wind, water, heat, steam, ocean, tidal, biomass, biogas, chemical, mechanical, electrical, synthetic, agricultural, and other natural, fossil or non-fossil fuel-based, artificial, organic, or otherwise, and of energy systems that use new, renewable, and any energy resource applying new and efficient energy conversion and/or utilization technologies for commercial application, and to perform other ancillary and incidental activities as may be provided by and under contract with the government of the Republic of the Philippines or any subdivision, instrumentality, or agency thereof, or any government-owned and controlled corporation, or other entity engaged in the development, supply, and distribution of renewable energy.

SPNEC holds 100% and, therefore, absolute controlling interest in Terra Nueva, Inc. (“**TNI**”). TNI was incorporated and registered with the SEC on 31 August 2022, primarily to purchase, or otherwise acquire the stocks, bonds, and other securities or evidence of indebtedness of any other corporation, association, firm or entity, domestic or foreign, and to issue in exchange therefor its own stocks, bonds, or other obligations or to pay therefor in cash, or otherwise; to hold or own, use, sell, issue, deal in, dispose of, and turn to account, any such stocks, warrants, options, bonds, or other securities, and while the owner or holder thereof, to exercise all the rights and powers of ownership including the right to vote thereon for any purpose; to acquire, take over, hold and control all or any part of the business, goodwill, property and other assets, and to assume or undertake the whole or any part of the liabilities and obligations of any person, firm, association, or corporation, whether domestic or foreign, and whether a going concern or not, engaging in or previously engaged in business which the corporation is or may become authorized to carry on or which may be appropriate or suitable for any and all of the purposes of the corporation or otherwise, and to pay for the same in cash or in stocks, bonds or securities of the corporation or otherwise, and to hold, manage, operate, conduct and dispose of, in any manner, the whole or part of any such acquisition, and to exercise all the powers necessary or convenient for the conduct and management thereof; provided that the corporation shall not act as dealer and broker of securities.

#### Acquisition and Buy-Back of Solar Philippines Assets

In 2023, SPNEC executed several Deeds of Absolute Sale of Shares with certain affiliates for the following transactions:

Date	Counterparty	Asset Acquired	Consideration (in millions)
15 May 2023	SP Project Holdings	SPTC	₱2,241.7
		SP Rooftop	₱100.7
9 June 2023		Solar Philippines Assets <sup>2</sup>	₱80.0

<sup>2</sup> Comprised of Solar Philippines Batangas Corporation, Solar Philippines Batangas Baseload Corporation, Solar Philippines Central Luzon Corporation, Solar Philippines Central Visayas Corporation, Solar Philippines Eastern Corporation, Solar

Date	Counterparty	Asset Acquired	Consideration (in millions)
29 June 2023		SPCC	P502.8
20 November 2023	Leandro L. Leviste	SPCC	P249.9

On 9 November 2023, SPNEC entered into a Deed of Donation and Acceptance with Countryside Investments Holdings Corporation (“Countryside”), whereby Countryside donated and conveyed all its rights and obligations in SP Holdings, Inc. (“**SP Holdings**”) to SPNEC.

Pursuant to the Option Agreement dated 12 October 2024, executed by and among SPNEC, SP Project Holdings and MGreen (as assignee of MGen under the Deed of Assignment and Assumption), SPNEC has the right and option to require SP Project Holdings to purchase certain assets comprising of shares in SPNEC subsidiaries, excluding SP Calatagan, SP Tarlac and Terra Solar (the “**Put Option**”). On 12 August 2024, the BOD of SPNEC approved the exercise of the Put Option.

Pursuant to SPNEC’s exercise of the Put Option as set out in its notice dated 28 August 2024, SPNEC and SP Project Holdings executed a Deed of Absolute Sale of Shares dated 2 September 2024, covering SPNEC’s full equity interest in the following entities for a total consideration of P 80.0 million:

- Solar Philippines Rooftop Corporation
- Solar Philippines Batangas Corporation
- Solar Philippines Batangas Baseload Corporation
- Solar Philippines Central Luzon Corporation
- Solar Philippines Central Visayas Corporation
- Solar Philippines Eastern Corporation
- Solar Philippines Retail Electricity, Inc.
- Solar Philippines Southern Mindanao Corporation
- Solar Philippines Southern Tagalog Corporation
- Solar Philippines South Luzon Corporation
- Solar Philippines Tarlac Baseload Corporation
- Solar Philippines Visayas Corporation
- Solar Philippines Western Corporation
- Laguna Rooftop Solar Corporation

(the “**Solar Philippines Assets**”).

Mr. Leandro L. Leviste is the major shareholder of SP Project Holdings and Countryside.

#### Investment of Metro Pacific Investments Corporation (“MPIC”)

On 27 March 2023, MPIC entered into a Share Purchase Agreement (“**SPA**”) with SPPPHI to acquire its rights, title and interest in and to SPNEC for a total of 1,600.0 million common shares (Sale Shares) for a total consideration of P2,000.0 million.

On 5 May 2023, SPNEC entered into an Option Agreement with SPPPHI and MPIC, which grants the MPIC Group the option to acquire up to 17,400.0 million shares of the SPNEC, comprising up to 10,000.0 million primary shares for up to P12,500.0 million (Primary Option) and up to 7,400.0 million secondary shares for up to P9,250.0 million (Secondary Option), supported by the approval of SPNEC’s increase in authorized capital stock from 10,000.0 million to 50,000.0 million shares. Together with the

---

Philippines Retail Electricity, Inc., Solar Philippines South Luzon Corporation, Solar Philippines Southern Mindanao Corporation, Solar Philippines Southern Tagalog Corporation, Solar Philippines Tarlac Baseload Corporation, Solar Philippines Visayas Corporation, Solar Philippines Western Corporation, Laguna Rooftop Solar Corporation and Terra Solar Philippines, Inc.

initial acquisition by MPIC from SPPPHI of the Sale Shares, a full exercise of these options may result in the MPIC Group investing a total of ₱23,750.0 million for 19,000.0 million shares and becoming the largest shareholder with approximately 42.82% ownership in SPNEC. The Option Agreement was terminated effective 12 October 2023.

#### Investment by MGen Renewable Energy, Inc. (“MGreen”)

On 30 November 2023, SPNEC entered into a Subscription Agreement with MGreen, the renewable energy development arm of Meralco Powergen Corporation (“MGen”), to subscribe (i) 15.7 billion common shares with par value of ₱1.0 per share and (ii) 19.4 billion preferred shares with par value of ₱0.01 per share for a total subscription price of ₱15.9 billion. MGen is a wholly owned subsidiary of the Manila Electric Company, the country’s largest private sector electric distribution utility company. The transaction will support the expansion of the Company’s project portfolio, including the development of a planned 3.5 GW solar power plant and 4.5 GWh of battery storage.

On the same date, SPNEC received partial cash subscription from MGreen amounting to ₱7.0 billion, and the balance amounting to ₱8.9 billion was received on 27 December 2023.

On 6 December 2023, SPNEC filed its application for an increase in authorized capital stock (the “**ACS Increase Application**”) with the SEC. On 17 January 2024, the SEC approved SPNEC’s ACS Increase Application, which approval was received by SPNEC on 19 January 2024. On the same day, SPNEC issued the subscription shares to MGreen, resulting in the latter owning 50.53% of the total outstanding capital stock of SPNEC.

Subsequently, on 26 January 2024, MGreen purchased 2,173,913,000 common shares held by SPPPHI for a total consideration of PhP2,499,999,950.00. With this, MGreen’s resulting ownership in SPNEC is now at 53.66%.

#### Acquisition of Controlling Interest in Terra Solar Philippines, Inc. (“TSPI”) from Prime Infrastructure, Inc. (“Prime”)

On 11 December 2023, SPNEC executed a Deed of Absolute Sale (“**DOAS**”) to acquire 100% of the shares of Prime in TSPI for ₱6,000.0 million. Together with SPNEC’s previously acquired shares in TSPI, SPNEC is now the legal and beneficial owner of 100% of TSPI.

## **Item 2. Properties**

The Group’s principal office address based on its Amended Articles of Incorporation, as amended, is Rockwell Business Center, Ortigas Avenue, Barangay Ugong, Pasig City 1604, Philippines.

As of December 31, 2024, the Group is in the process of developing and acquiring land in support of its plan to develop 10 gigawatts (“**GW**”) of solar projects.

So far, the Company has secured rights over land consisting of 2,478.03 hectares for Phase 1 and 598.76 hectares for Phase 2 in Gapan, Peñaranda, and General Tinio, Nueva Ecija and San Miguel, Bulacan. The Group has since been continuing the process of securing land and land rights through TNI.

SPNEC have leases with 25 years term with the earliest lease commencement and expiry dates being 1 January 2020 and 30 April 2047, respectively. The leases may be renewed for another five (5) years or for a reasonable period upon agreement between the Company and the landowner. In the case however of the lease agreement with Las Piñas Agro Industrial Corporation, the term shall be extended for another five years after its expiry, subject to further extensions by written agreement between the Company and the landowner.

In February and April 2021, the Company also entered into a Memorandum of Agreement (“**MOA**”) with Provincia Investments Corporation (“**PIC**”) and Lupang Hinirang Holdings Corporation (“**LHHC**”), respectively, to acquire land for potential expansion with a total area of 125.43 hectares. The Company is currently surveying proposed project sites for possible future acquisitions.

In 2022 and 2023, The Parent Company and TNI entered into Contracts to Sell (“**CTS**”) with various landowners for the acquisition of parcels of land with a total land area of 1,287.63 hectares and 798.57 hectares, respectively. TNI also entered into various Deeds of Absolute Sale Agreement for a total land area of 534.76 hectares which are intended for the Group’s project and for future expansion.

In addition, as part of the business combination under common control, the land with a total area of 135.68 hectares, deposits for land acquisition with a total land area of 93.53 hectares, and leased properties with a total land area of 102.49 hectares, which were owned by SP Tarlac and SP Calatagan were consolidated as part of the Group’s properties as of December 31, 2023.

The Company is developing Phase 1 of the project, a 2,500 megawatts of direct current (“**MWdc**”) solar power plant (“**Phase 1**”) in Nueva Ecija and Phase 2, a 1,000 MWdc solar power plant (“**Phase 2**”) in Bulacan. The Parent Company targets that Phase 1 will be commissioned by 2026 and Phase 2 in 2027.

Further, SP Calatagan, SP Tarlac and among others were also consolidated through business combination. SP Calatagan Solar Power Project is a 63.359 megawatt (“**MW**”) solar photovoltaic (“**PV**”) facility situated in Batangas and SP Tarlac is a solar power of 100-megawatt solar photovoltaic facility situated in Tarlac. SP Tarlac has also a 15MW expansion in the same location.

Other than those mentioned, the Group did not own any other properties as of 31 December 2024.

### **Item 3. Legal Proceedings**

To the best of the Company’s knowledge, it is not involved in any material legal proceedings and is not aware of any such proceedings pending or threatened against it or any of its properties, which are or might be material.

Its affiliates are involved in a few routine criminal cases for complaints of theft or pilferage of company property. The group does not consider any of these as material as these legal proceedings will not affect the daily operations of its business, nor will they have a material effect on the present financial position of the group.

The Company and another subsidiary, SPTC, have filed applications for rate approval before the Energy Regulatory Commission (“**ERC**”) which are required in the ordinary course of business for a company engaged in the business of renewable energy development, operation, and production. The Company and SPTC have been issued interim reliefs by the ERC for its power supply agreements with load customers.

The Company’s subsidiary, TSPI, has a pending application with the ERC for the approval of a dedicated point-to-point limited transmission facilities, but it does not consider this material as the filing of such applications is done in the ordinary course of business.

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

The Company held its Annual Stockholders’ Meeting for the year 2024 (the “**Annual Meeting**”) on 10 May 2024.

The following matters were voted upon during the Annual Meeting:



a. Election of Directors

The following were elected to the Board of Directors during the Annual Meeting:

- i. Mr. Manuel V. Pangilinan, as Regular Director,
- ii. Mr. Leandro Antonio L. Leviste, as Regular Director,
- iii. Mr. Lance Y. Gokongwei, as Regular Director,
- iv. Mr. Benjamin I. Espiritu, as Independent Director,
- v. Ms. Lydia B. Echauz, as Independent Director,
- vi. Mr. Pedro Emilio R. Roxas, as Independent Director,
- vii. Mr. Rochel Donato R. Gloria, as Regular Director,
- viii. Ms. Hazel Iris P. Lafuente, as Regular Director, and
- ix. Mr. Ryan Jerome T. Chua, as Regular Director.

Below is a tabulation of the votes cast for each of the above-named individuals:

Nominee	No. of Votes Received
Manuel V. Pangilinan	58,000,103,550
Leandro Antonio L. Leviste	57,884,978,050
Lance Y. Gokongwei	57,983,535,050
Rochel Donato R. Gloria	58,003,603,050
Hazel Iris P. Lafuente	57,891,809,050
Ryan Jerome T. Chua	58,003,603,550
Benjamin I. Espiritu	57,892,208,550
Pedro Emilio O. Roxas	48,855,537,711
Lydia B. Echauz	58,007,020,050

The following Directors resigned and were replaced by individuals set out opposite their names, effective on the dates provided below:

Outgoing Director	Incoming Director	Effective Date
Rochel Donato R. Gloria	Emmanuel V. Rubio	11 July 2024
Pedro Emilio O. Roxas	-	10 June 2024

b. Approval of Minutes of Previous Stockholders' Meeting

Approval by the stockholders of the minutes of the annual meeting held on 4 December 2023 was sought.

For this item, 58,007,389,550 shares or 99.99% of the Company's shares present or represented at the Annual Meeting were voted in favor of the approval of the minutes of the previous meeting of the Company's stockholders.

c. Approval of the Audited Financial Statements and Management Report for the Calendar Year Ended 31 December 2023

Upon recommendation of the Board of Directors, stockholders' approval of the Audited Financial Statements and Management Report for the calendar year ended 31 December 2023 was sought.

For this item, 58,007,389,550 shares or 99.99% of the Company's shares present or represented at the Annual Meeting were voted in favor of the approval of the Audited Financial Statements and Management Report for the calendar year ended 31 December 2023.

d. Amendment of the Company's Articles of Incorporation to Change the Principal Office

Upon recommendation of the Board of Directors, approval by the stockholders representing at least two-thirds (2/3) of the total outstanding capital stock of the Company was sought to amend the Third Article of the Articles of Incorporation, wherein the principal address of the Company will be changed from 112 Legaspi Street, Legaspi Village, Barangay San Lorenzo, Makati City 1229, Philippines to Rockwell Business Center, Ortigas Avenue, Pasig City.

For this item, 58,008,889,550 shares or 83.49% of the Company's total outstanding capital stock were voted in favor of the amendment.

e. Appointment of SyCip Gorres Velayo & Co. ("SGV") as the Company's External Auditor for the Ensuing Calendar Year

Upon recommendation of the Board of Directors, approval by the stockholders of the reappointment of SGV as external auditor of the Company was sought.

For this item, 58,008,889,550 shares or 99.99% of the Company's shares present or represented at the meeting were voted in favor of the appointment of SGV as the Company's external auditor for the ensuing calendar year.

f. Ratification of Acts, Resolutions, and Decisions of the Board of Directors and Management During the Previous Year

Stockholders' ratification of the acts, resolutions, and decisions of the Board of Directors, its Committees, and Management taken and adopted since the previous meeting of the stockholders held on 4 December 2023 up to present was sought.

For this item, 58,008,889,550 shares or 99.99% of the Company's shares present or represented at the meeting were voted in favor of ratification.

## **PART II – OPERATIONAL AND FINANCIAL INFORMATION**

### **Item 5. Market for Issuer's Common Equity and Related Stockholder Matters Securities**

a. Securities

As of the date, the Issuer has an authorized capital stock of ₱7,750,000,000.00 divided into 75,000,000,000 common shares with a par value ₱0.10 per share and 25,000,000,000 preferred shares with a par value of ₱0.01 per share, further divided into 5,595,797,448 Class A preferred shares and 19,404,202,552 Class B preferred shares.

The total issued and subscribed capital stock of the Company is ₱5,201,347,025.52 divided into 50,073,050,000 common shares with a par value of ₱0.10 per share and 19,404,202,552 Class B preferred shares with a par value of ₱0.01 per share.

The Articles of Incorporation delegated to the Board of Directors of the Company the determination of the features of Class A preferred shares. Class B preferred shares, on the other hand, are (i) voting, (ii) non-cumulative, (iii) not entitled to any economic returns or dividends, (iv) redeemable at the option of the Company, at issue price, and at such other terms and conditions as may be determined by the Board of Directors (and shall be immediately retireable upon redemption thereof), and (v) in the event of the liquidation, dissolution, or winding up of the Company (whether voluntary or involuntary), have preference over the holders of common shares in respect of the assets of the Company available for

distribution after payment of the liabilities of the Company.

Common shares are not entitled to pre-emptive rights.

As of 31 December 2024, only 1,171,603 common shares remain partially paid. These partially paid shares pertain to shares subscribed during the Issuer's stock rights offering in 2022. The Issuer deems the remaining partially paid shares as delinquent shares in accordance with the terms of the Final Prospectus for the Rights Offer and the Revised Corporation Code. Specifically, all delinquent shares will be sold at auction pursuant to law. In case there are no bidders at such auction, the Issuer may purchase the delinquent shares, in which case they will become its treasury shares. Downpayments made on delinquent shares shall be forfeited in favor of the Issuer.

As of 31 March 2025, 50,071,878,397 of the Issuer's common shares were listed on the PSE.

Except for those exempt from the registration requirement under the Securities Regulation Code, no sales of unregistered securities were made in the past three (3) years.

No debt securities were registered nor contemplated to be registered.

b. Market Information

The Company's shares are traded on the Philippine Stock Exchange. The high and low sales prices of SPNEC shares for each quarter for the last two (2) fiscal years are set forth below:

	2023		2024	
	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>
<b>Jan-Mar</b>	1.79	1.17	1.40	1.02
<b>Apr-Jun</b>	1.76	1.36	1.16	0.89
<b>Jul-Sep</b>	Not Traded	Not Traded	1.39	0.91
<b>Oct-Dec</b>	1.40	1.04	1.25	0.99

The closing price of the Company's common shares as of the last trading day of 2024 is PhP1.02 per share

c. Holdings

As of 31 December 2024, the Company had thirty (30) stockholders. Below is the list of the Company's top twenty (20) stockholders as of 31 December 2024:

[This portion of the Annual Report was intentionally left blank]

#	Stockholder	No. of Shares Held	Ownership Percentage
1	Solar Philippines Power Project Holdings, Inc.	18,643,050,000 <sup>3</sup>	37.23%
2	MGen Renewable Energy, Inc.	15,699,999,999 <sup>4</sup>	31.35%
3	PCD Nominee Corporation (Filipino)	6,764,406,123 <sup>5</sup>	13.51%
4	Asia Pacific Institute for Green Development Inc.	4,150,000,000	8.29%
5	PCD Nominee Corporation (Non-Filipino)	1,634,359,404	3.26%
6	Metro Pacific Investments Corporation	1,600,000,000	3.19%
7	Pamulinawen Holdings OPC	1,580,000,000	3.15%
8	Myra P. Villanueva	210,125	0.00%
9	Jose Ivan T. Justiniano or Ma. Jema V. Justiniano	200,000	0.00%
10	Elvira M. Cruz or Bernardo A. Cruz	200,000	0.00%
11	Johanna Theresa A. Cid	100,000	0.00%
12	Mark Louie Apao	100,000	0.00%
13	Myrna P. Villanueva	89,062	0.00%
14	Milagros P. Villanueva	89,062	0.00%
15	Gabriel Y. Tan	50,000	0.00%
16	Richard Y. Tan	50,000	0.00%
17	Marietta V. Cabreza	44,531	0.00%
18	Juan Carlos V. Cabreza	44,531	0.00%
19	Deme Rafael V. Abayon	28,156	0.00%
20	Arturo B. Pagdonsolan or Evelyn Basilia D. Pagdonsolan	15,000	0.00%

The public float of the Issuer as of 31 December 2024 is 20.01%.

d. Background of Shareholders Owning At Least 10% of the Total Outstanding Stock

i. *MGen Renewable Energy, Inc.*

MGen Renewable Energy, Inc. is the renewable energy (“RE”) arm of Meralco PowerGen Corporation (“MGen”), dedicated to investing in and developing clean, sustainable, and efficient energy projects. As a key driver of MGen’s vision for a balanced and diversified power generation portfolio, MGreen plays a vital role in advancing the country’s transition to a low-carbon future.

MGreen’s operating renewable energy portfolio includes:

- MGreen Bulacan Solar (PowerSource First Bulacan Solar Inc.) – a 55 MWac solar power plant in San Miguel, Bulacan, in partnership with PowerSource Energy Holdings Corporation.
- Nuevo Solar Energy Corp. (“NSEC”) – a 68 MWac solar farm in Currimao, Ilocos Norte, in partnership with Vena Energy’s Pasuquin Energy Holdings Inc.
- MGreen Baras Solar (PH Renewables, Inc.) – an 80.1 MWac solar farm in Baras, Rizal, developed with Mitsui & Co.’s Mit-Renewables Philippine Corporation.

<sup>3</sup> Does not include 350,572,998 common shares which are scrippless and indirectly held or currently under the name of PCD Nominee Corporation (Filipino).

<sup>4</sup> Does not include 2,173,913,000 common shares, which are scrippless and indirectly held or currently under the name of PCD Nominee Corporation (Filipino), and 19,404,202,552 voting Class B preferred shares which are unlisted.

<sup>5</sup> Includes 1,171,603 partially paid shares which remain unlisted.

#### SPNEC Projects:

- Solar Philippines Tarlac Corporation (“SPTC”) – a 76 MWac solar plant in Concepcion, Tarlac.
- Solar Philippines Calatagan Corporation (“SPCC”) – a 44.9 MWac solar plant in Calatagan, Batangas.

MGreen has successfully energized two (2) additional solar power plants as follows:

- November 21, 2024 – MGreen Bongabon Solar (Greentech Solar Energy, Inc.) – a 19.8 MWac solar power plant in Bongabon, Nueva Ecija.
- February 6, 2025 – MGreen Cordon Solar (Greenenergy for Global Inc.) – a 52.8 MWac solar power plant in Cordon, Isabela.

Both projects were among the successful bidders in Department of Energy’s (“DOE”) Green Energy Auction (“GEA”) 2 and notably came online ahead of their committed delivery dates—further demonstrating MGreen’s efficiency and commitment to accelerating renewable energy deployment in the Philippines.

MGreen also holds a substantial stake in TSPI, the company behind the MTerra Solar Project, a landmark 3,500 MWp integrated solar PV power plant with a 4,500 MWhr Battery Energy Storage System, developed through TSPI:

- Phase 1 is set to go online in February 2026.
- Phase 2 is scheduled for February 2027.

With its growing renewable energy portfolio, MGen remains at the forefront of the clean energy transition, supporting the nation’s energy security and sustainability goals while contributing to a greener future.

#### *ii. Solar Philippines Power Project Holdings, Inc.*

SP Project Holdings is a domestic holding corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 112 Legaspi Street, Legaspi Village, Barangay San Lorenzo, Makati City. Among others, it was primarily created to invest in, hold, purchase, acquire, lease, contract, or otherwise, within the limits allowed by law, any and all real and personal properties of every kind and description whatsoever which it may deem necessary or appropriate. However, SP Project Holdings shall not act as dealer and broker of securities.

#### *iii. PCD Nominee Corporation*

PCD Nominee Corporation is a wholly owned subsidiary of the PDTC, a corporation established to improve operations in securities transactions and to provide a fast, safe, and highly efficient system for securities settlement in the Philippines. PCD Nominee Corporation acts as trustee-nominee for all shares lodged in the PDTC system, where trades effected on the PSE are finally settled with the PDTC.

PDTC is a private institution established in March 1995 to improve operations in securities transactions. Regulated by the SEC, PDTC is owned by major capital market players in the Philippines, namely the PSE, Bankers Association of the Philippines, Financial Executives Institute of the Philippines, Development Bank of the Philippines, Investment House Association of the Philippines, Social Security System, and Citibank N.A.

All PSE-member brokers are participants of the PDTC. Other participants include custodian banks, institutional investors, and other corporations or institutions that are active players in the Philippine equities market.

e. Dividends

The Issuer is authorized to distribute dividends out of its surplus profit, in cash, properties of the Issuer, shares of stock, and/or securities of other companies belonging to the Issuer. Dividends paid in the form of cash or property are subject to approval of the Board of Directors. Dividends paid in the form of additional shares are subject to the approval of the Board of Directors and stockholders that own at least two-thirds (2/3) of the outstanding capital stock of the Issuer. In case the stock dividends will be coming from an increase in authorized capital stock, such declaration shall be subject to SEC approval. Holders of outstanding common shares as of a dividend record date will be entitled to full dividends declared without regard to any subsequent transfer of such shares.

On 6 September 2021, the Board of Directors approved its dividend policy that gave the Board of Directors the discretion to declare dividends as they see fit after considering the funding requirements for future projects subject to the requirements of applicable laws and regulations, capital expenditure requirements, compliance with the Issuer's covenants, if any, and other circumstances that may restrict the payment of dividends. There can be no guarantee that the Issuer will pay any dividends in the future. Dividends may be declared only from the Issuer's unrestricted retained earnings.

The Issuer has not declared any kind of dividend to its shareholders since its incorporation.

f. Exempt Transactions

On 30 November 2023, the Company entered into a Subscription Agreement with MGreen for the latter to subscribe to 15,700,000,000 common shares of stock at a subscription price of One Peso (Php1.00) per share and 19,404,202,552 preferred shares at a subscription price of One Centavo (Php0.01) per share, subject to the approval of the Company's increase in authorized capital stock by the SEC which was obtained on 19 January 2024. This is an exempt transaction under Sections 10.1 (i) and (k) of the SRC as an issuance to support an increase in authorized capital stock and issuance of securities to fewer than twenty (20) persons in the Philippines during any twelve (12)-month period, respectively.

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

The summary of financial information is based on the Consolidated Financial Statement as of 31 December 2024 and 2023, and for the twelve-months period Ended 31 December 2024, which were prepared in accordance with the Philippine Financial Reporting Standards ("PFRS") and should be read in conjunction with the financial statements and notes contained in this report.

a. Material Changes to the Consolidated Statements of Financial Position as of December 31, 2024, compared to the Consolidated Statements of Financial Position as of December 31, 2023

Horizontal and Vertical Analysis of Financial Position December 31, 2024 vs. December 31, 2023						
Amounts in ₱0.00	December 31, 2024	December 31, 2023	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		December 31, 2024	December 31, 2023
			Amount	Percentage		
<b>Assets</b>						
Cash and cash equivalents	5,539,532,868	10,040,424,627	(4,500,891,759)	-44.83%	6.06%	19.62%
Trade receivables	290,041,454	286,288,062	3,753,392	1.31%	0.32%	0.56%
Subscription receivable	1,319,056	1,319,056	-	0.00%	0.00%	0.00%
Inventories	-	24,800,913	(24,800,913)	-100.00%	0.00%	0.05%
Due from related parties	147,156,423	126,920,310	20,236,113	15.94%	0.16%	0.25%

Horizontal and Vertical Analysis of Financial Position December 31, 2024 vs. December 31, 2023						
Amounts in ₱0.00	December 31, 2024	December 31, 2023	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		December 31, 2024	December 31, 2023
			Amount	Percentage		
Other current assets	664,373,800	744,366,136	(79,992,336)	-10.75%	0.73%	1.45%
<b>TOTAL CURRENT ASSETS</b>	<b>6,642,423,601</b>	<b>11,224,119,104</b>	<b>(4,581,695,503)</b>	<b>-40.82%</b>	<b>7.27%</b>	<b>21.93%</b>
Property, plant and equipment						
At cost	18,392,981,434	10,136,123,220	8,256,858,214	81.46%	20.13%	19.80%
At Revalued Amount	49,362,804,400	12,467,340,000	36,895,464,400	295.94%	54.03%	24.36%
Deposits for land acquisition	2,955,531,170	3,396,776,396	(441,245,226)	-12.99%	3.23%	6.64%
Intangible assets	13,261,891,642	13,261,891,642	-	0.00%	14.51%	25.91%
Goodwill	9,954,384	9,954,384	-	0.00%	0.01%	0.02%
Deferred Tax Asset	9,291,007	9,646,601	(355,594)	-3.69%	0.01%	0.02%
Other noncurrent assets	732,280,143	676,962,959	55,317,184	8.17%	0.80%	1.32%
<b>TOTAL NONCURRENT ASSETS</b>	<b>84,724,734,180</b>	<b>39,958,695,202</b>	<b>44,766,038,978</b>	<b>112.03%</b>	<b>92.73%</b>	<b>78.07%</b>
<b>TOTAL ASSETS</b>	<b>91,367,157,781</b>	<b>51,182,814,306</b>	<b>40,184,343,475</b>	<b>78.51%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Liabilities and Equity</b>						
Trade and other payables	2,178,079,045	460,918,733	1,717,160,312	372.55%	2.38%	0.90%
Short Term Loans	7,200,000,000					
Income Tax Payable	15,892,032	21,707,307				
Due to related parties	386,861,905	608,442,826	(221,580,921)	-36.42%	0.42%	1.19%
Current portion of lease liabilities	25,399,496	8,962,861	16,436,635	183.39%	0.03%	0.02%
Current portion of notes payable	235,889,777	366,847,748	(130,957,971)	-35.70%	0.26%	0.72%
<b>TOTAL CURRENT LIABILITIES</b>	<b>10,042,122,255</b>	<b>1,466,879,475</b>	<b>8,575,242,780</b>	<b>584.59%</b>	<b>10.99%</b>	<b>2.87%</b>
Lease liabilities - net of current portion	365,048,472	381,109,300	(16,060,828)	-4.21%	0.40%	0.74%
Notes payable - net of current portion	2,493,789,567	2,729,695,924	(235,906,357)	-8.64%	2.73%	5.33%
Deferred Tax Liabilities	12,347,590,016	4,086,521,200	8,261,068,816	202.15%	13.51%	7.98%
Other noncurrent liabilities	97,824,505	98,633,404	(808,899)	-0.82%	0.11%	0.19%
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>15,304,252,560</b>	<b>7,295,959,828</b>	<b>8,008,292,732</b>	<b>109.76%</b>	<b>16.75%</b>	<b>14.25%</b>
<b>TOTAL LIABILITIES</b>	<b>25,346,374,815</b>	<b>8,762,839,303</b>	<b>16,583,535,512</b>	<b>189.25%</b>	<b>27.74%</b>	<b>17.12%</b>
Common stock	5,007,305,000	3,437,305,000	1,570,000,000	45.68%	5.48%	6.72%
Preferred stock	194,042,026	-	194,042,026	100.00%	0.21%	0.00%

Horizontal and Vertical Analysis of Financial Position December 31, 2024 vs. December 31, 2023						
Amounts in ₱0.00	December 31, 2024	December 31, 2023	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		December 31, 2024	December 31, 2023
			Amount	Percentage		
Additional Paid-in Capital	19,794,017,013	5,713,764,409	14,080,252,604	246.43%	21.66%	11.16%
Deposit for future stock subscription	-	15,894,042,026	(15,894,042,026)	-100.00%		31.05%
Equity reserve	688,902,762	525,755,142	163,147,620	31.03%	0.75%	1.03%
Revaluation Surplus	33,051,297,709	8,268,091,263	24,783,206,446	299.75%	36.17%	16.15%
Retained Earnings	3,942,292,359	5,546,151,067	(1,603,858,708)	-28.92%	4.31%	10.84%
<b>TOTAL EQUITY</b>	<b>62,677,856,869</b>	<b>39,385,108,907</b>	<b>23,292,747,962</b>	<b>59.14%</b>	<b>68.60%</b>	<b>76.95%</b>
Non-controlling interest	3,342,926,097	3,034,866,096	308,060,001	10.15%	3.66%	5.93%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>91,367,157,781</b>	<b>51,182,814,306</b>	<b>40,184,343,475</b>	<b>78.51%</b>	<b>100.00%</b>	<b>100.00%</b>

### *Cash*

As of December 31, 2024, the SPNEC Group held cash and cash equivalents totaling ₱5,539.5 million. During the year, net cash from operations amounted to ₱1,503.6 million and the Group obtained a short-term loan of ₱7,200.0 million. In addition to the beginning cash balance, these funds were primarily utilized for ₱8,794.5 million of construction-related expenditures and ₱3,196.7 million of deposits for land acquisitions.

### *Trade Receivables*

Trade receivable arises from the revenue from the sale of electricity, and sale of goods and services of the subsidiaries. These are either interest or non-interest bearing depending on the clause indicated in the contract and generally collectible within 40 to 60 days.

Outstanding receivable as of December 31, 2024, pertains to receivable by SPCC from National Transmission Corporation (“Transco”) amounting to ₱123.6 million, receivable by SPTC from Manila Electric Company (“MERALCO”) and WESM amounting to ₱77.4 million.

### *Subscription Receivable*

Subscription receivable represents shares of stock subscribed to and issued by the Parent Company but payment from the shareholders has not yet been received.

As of December 31, 2024, no collections for subscription receivable were made.

### *Inventories*

As of December 31, 2024, SP Tarlac inventories of ₱51.1 million were transferred to noncurrent assets as plant construction materials. These are intended to be used in the construction of the Project.

### *Due from Related Parties*

As of December 31, 2024, the balance of the Parent Company’s advances to related parties is ₱52.1 million, while the subsidiaries’ balance of advances to related parties amounted to ₱95.1 million.



### *Other Current Assets*

This account mainly consists of short-term investments amounting to ₱588.7 million that are restricted interest-bearing accounts opened and established by SPCC and SPTC in accordance with certain loan and service agreements that will serve as a cash reserve or deposit for the principal and/or interest payments due on the loans. This also includes prepayments such as insurance, taxes, rent, and trust fees of ₱58.7 million, cash bond deposits of ₱15.0 million and creditable withholding taxes of ₱2.0 million.

### *Property, Plant, and Equipment (At Cost)*

The substantial increase in this account is due to the addition of the Solar Power Plants of SPTC and SPCC totaling a net book value of ₱6,757.8 million as of December 31, 2024, and Construction in Progress (“CIP”) of Terra Solar for its 3,500 MW<sub>p</sub> Solar Power Plant. During the period, the SPNEC group incurred a total amount of ₱8,794.5 million which was capitalized costs related mainly to the Terra Solar project.

The Parent Company’s Right of Use Assets (“ROU Assets”) has a total land area of 352.42 hectares with a net book value of ₱243.2 million. Also, added to this account are the ROU Assets of SPTC comprising of 102.49 hectares of land with a net book value as of December 31, 2024 of ₱189.9 million.

As of December 31, 2024, the total land area under lease of the Group, including the Parent and SPTC is at 454.92 hectares.

### *Property, Plant, and Equipment (At Fair Value)*

This pertains to the parcels of land currently owned by the Group, including SPNEC, TNI, SPCC and SPTC, which was reported at their fair market value as of December 31, 2024.

As of December 31, 2024, the Group has a total area of 2,689.59 hectares of land.

### *Deposits for Land Acquisition (“DFLA”)*

For the twelve-month period ended December 31, 2024, the Group made deposits for land acquisition including land-related costs to various landowners amounting to ₱3,183.3 million. Some of which eventually became land assets for the Group.

### *Other Noncurrent Assets*

This account mainly consists of long-term receivable by SPCC from Transco related to the FIT adjustments amounting to ₱319.0 million; input VAT of ₱279.6 million of SPNEC, TNI and SPTC; construction materials of ₱51.1 million; supplier advances of ₱46.0 million; Security Bonds of ₱20.3 million; long-term security deposits on leased properties of ₱6.7 million; Right-of-Way (“ROW”) contracts of ₱6.3 million and prepaid rent non-current portion of ₱3.3 million.

### *Intangible Assets*

The intangible assets recorded as of December 31, 2024, pertains to the fair values of the identifiable assets of TSPI, which is mainly attributable to the Power Supply Agreement of TSPI that existed at the time of the acquisition amounting to ₱13,261.9 million.

### *Goodwill*

Goodwill arose in the acquisition of TSPI because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in

relation to the benefits of expected synergies and future market growth. The total goodwill recognized as of December 31, 2024, amounted to ₱9.9 million which is the difference between fair value of the identifiable net assets and the total consideration.

#### *Payables and Short-term Loans*

Trade and other payables include (i) Accounts payable are non-interest bearing and are normally settled within one year (ii) withholding tax payable pertains to withholding taxes on professional fees and various payments to contractors for services rendered (iii) accrued expenses consist mainly of accrual for benefits to host communities, light and water, professional fees, and (iv) differential cost of replacement energy charged by MERALCO to SP Tarlac.

The third-party payables for the purchase of goods and services by the Group totaling ₱507.0 million, accrued expenses totaling ₱1,307.7 million, accrued interests for the loan facilities of SPTC and SPCC amounting to ₱147.9 million, short-term loans totaling ₱7,200.0 million, related party payables amounting to ₱138.4 million as a result of business combination, withholding taxes of ₱77.1 million, and income tax payable of ₱15.9 million.

#### *Due to Related Parties*

As of December 31, 2024, SPNEC's balance of advances from SPPPHI and Countryside are ₱348.2 million and ₱37.6 million, respectively. Also, as a result of the consolidation with MGen Renewable, an amount of ₱1.0 million was added to this account.

#### *Lease Liabilities*

As of December 31, 2024, the total land area under lease of the Group, including the Parent and SPTC is at 454.92 hectares. The outstanding lease liabilities of the Parent and SPTC are ₱291.2 million and ₱99.3 million, respectively.

#### *Notes Payable*

This account pertains to the loans payable of SPTC and SPCC which was recorded in the Group's financial statements as of December 31, 2024 totaling ₱2,729.7 million.

#### *SPCC – Omnibus Loan and Security Agreement (“OLSA”) (₱3,400.0 million Loan)*

On February 14, 2017, SPCC signed an OLSA with BDO, PBB and United Coconut Planters Bank (UCPB) (collectively referred to as the “SPCC Lenders”) for a long-term loan facility of ₱3,400.0 million to finance the repayment of short-term loan facility, including accrued interests, and its Project advances from SPPPHI and Solar Philippines Commercial Rooftop Projects, Inc. (“SPCRPI”), which were used to partially finance the construction of the Project. The long-term loan from the OLSA carries an interest rate of 6.85% per annum up to April 3, 2022, at which a fixed repricing of the rate has been made to 7.96% per annum for the remainder of the long-term loan. The principal repayment period shall be semi-annual from October 3, 2018 up to April 3, 2029.

As of December 31, 2024 the loan has an outstanding balance of ₱976.1 million.

#### *SPTC – Omnibus Loan and Security Agreement (₱2,225.0 million Loan)*

On June 18, 2019, SP Tarlac signed an OLSA with BDO Unibank, Inc. (BDO) for a long-term loan facility of ₱2,225.0 million to solely finance the construction of the Concepcion Solar Project.

The proceeds of the loan amounting ₱2,002.5 million and ₱222.5 million were received on July 3, 2019

and July 25, 2019, respectively. The principal repayment period shall be semi-annual beginning on January 3, 2021 up to July 25, 2031.

As of December 31, 2024, the loan has an outstanding balance of ₱1,753.5 million.

#### *Deferred Tax Liabilities*

This account arises from the recognition of ROU Assets, lease liabilities, and fair value measurement of the Group's land.

#### *Other Noncurrent Liabilities*

This account consists primarily of the noncurrent portion of replacement energy costs payable by SPTC to MERALCO of ₱89.1 million. The current portion of this replacement energy amounting to ₱8.0 million was presented as part of the trade and other payables.

#### *Capital Stock*

On 15 May 2023, SPPPHI and the Parent Company entered into a Subscription Agreement, whereby SPPPHI agreed to subscribe for 24,373,050,000 common shares at the par value of ₱0.10 per share out of the Parent Company's increase in authorized capital stock upon its approval by the SEC.

On 31 May 2023, the Parent Company filed with the SEC its application for an increase of the authorized capital stock and the corresponding Amended Articles of Incorporation of SPNEC increasing the authorized capital stock from One Billion Pesos (₱1,000,000,000.00) divided into 10 billion common shares at par value of ₱0.10 per share to Five Billion Pesos (₱5,000,000,000.00) divided into 50 billion common shares at par value of ₱0.10 per share.

On 1 June 2023, the SEC approved the Parent Company's application for an increase of its authorized capital stock.

On January 17, 2024, the SEC approved the Parent Company's application for increase in authorized capital stock from 50 billion common shares with par value of ₱0.10 per share to 75 billion common shares with par value of ₱0.10 per share and 25 billion preferred shares with par value of ₱0.01 per share, divided into Class A preferred shares and Class B preferred shares

As of December 31, 2024, with the abovementioned transactions during the period, the outstanding capital stock of SPNEC increased from ₱3,437.3 million to ₱5,201.3 million.

#### *Additional Paid-in Capital*

On January 17, 2024, upon the SEC's approval of the application for increase in authorized capital stock, the subscribed shares were issued to MGreen. Upon approval of the SEC of the Parent Company's application for increase in authorized capital stock, the Parent Company reclassified the "Deposits for future stock subscription" and issued 15.7 billion common shares with par value of ₱1.0 per share and 19.4 billion preferred shares with par value of ₱0.01 per share. The amount in excess of par value totaling to ₱14.1 billion is presented as additional paid-in capital, net of stock issuance costs amounting to ₱50.0 million.

#### *Deposit for Future Stock Subscription*

In 2024, the company issued shares after converting the existing ₱15.9 billion in Deposits for future stock subscription.

As of December 31, 2024, there was no balance in Deposit for Future Stock Subscription.

#### *Equity Reserves*

This represents the impact of the common control business combination as a result of the Parent Company's modified acquisition of 100% of the outstanding shares of SPPPHI in various entities (i.e., Solar Philippines Assets.)

#### *Revaluation Surplus*

The Group's land is comprised of parcels of land with a total land area of 2,689.58 hectares as of December 31, 2024, which was recorded at fair value.

As of December 31, 2024, the fair value increment amounting to ₱24,783.2 million, net of deferred income tax, is recognized in other comprehensive income, and accumulated in equity under "Revaluation surplus" account amounting to ₱33,051.3 million, net of deferred income tax.

#### *Retained Earnings*

The Group's Retained Earnings decreased by ₱1,603.9 million driven by the net loss of ₱1,167.2 million for the twelve-month period ended December 31, 2024.

Material Changes to the Consolidated Statements of Comprehensive Income for the Twelve (12)-months ended December 31, 2024, compared to the Statements of Comprehensive Income for the Six (6)-months ended December 31, 2023

As of December 31, 2024, the Parent Company has subsidiaries that are in commercial operations.

#### *Revenue*

From the date of the acquisition of Solar Philippines Assets and up to December 31, 2024, the Group has recorded a total of ₱1,200.1 million revenue, mainly contributed by SPCC and SPTC from the sale of electricity.

<b>Horizontal and Vertical Analysis of Comprehensive Income December 30, 2024 vs. December 30, 2023</b>						
<b>Amounts in ₱0.00</b>	<b>December 31, 2024 (1 year) (Unaudited)</b>	<b>December 31, 2023 (1 year) (Audited)</b>	<b>Horizontal Analysis</b>		<b>Vertical Analysis</b>	
			<b>Increase/(Decrease)</b>		<b>December 2024</b>	<b>December 2023</b>
			<b>Amount</b>	<b>Percentage</b>		
Revenue	1,200,134,185	635,451,217	564,682,968	88.86%	5.08%	5.30%
Cost of Sales	(563,911,783)	(327,103,277)	(236,808,506)	72.40%	-2.39%	-2.73%
<b>GROSS PROFIT</b>	<b>636,222,402</b>	<b>308,347,940</b>	<b>327,874,462</b>	<b>106.33%</b>	<b>2.69%</b>	<b>2.57%</b>
General and Administrative Expenses	(1,734,976,491)	(207,914,077)	(1,527,062,414)	734.47%	-7.35%	-1.73%
Other Income (Expense)	(56,123,910)	6,008,335,292	(6,064,459,202)	-100.93%	-0.24%	50.12%
Finance Costs	(282,199,197)	(167,232,021)	(114,967,176)	68.75%	-1.19%	-1.39%
Interest Income	343,559,643	29,993,447	313,566,196	1045.45%	1.45%	0.25%
<b>INCOME (LOSS) BEFORE TAX</b>	<b>(1,093,517,553)</b>	<b>5,971,530,581</b>	<b>(7,065,048,134)</b>	<b>-118.31%</b>	<b>-4.63%</b>	<b>49.81%</b>
Provisions for Income Tax	(73,641,155)	(23,949,830)	(49,691,325)	207.48%	-0.31%	-0.20%

Horizontal and Vertical Analysis of Comprehensive Income December 30, 2024 vs. December 30, 2023						
Amounts in ₱0.00	December 31, 2024 (1 year) (Unaudited)	December 31, 2023 (1 year) (Audited)	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		December 2024	December 2023
			Amount	Percentage		
NET INCOME (LOSS)	(1,167,158,708)	5,947,580,751	(7,114,739,459)	-119.62%	-4.94%	49.61%
Other Comprehensive Income	24,783,206,446	6,041,394,357	18,741,812,089	310.22%	104.94%	50.39%
TOTAL COMPREHENSIVE INCOME (LOSS)	23,616,047,738	11,988,975,108	11,627,072,630	96.98%	100.00%	100.00%

*Cost of Sales*

Horizontal and Vertical Analysis of Comprehensive Income December 31, 2024 vs. December 31, 2023						
Amounts in ₱0.00	December 31, 2024 (1 year) (Unaudited)	December 31, 2023 (1 year) (Audited)	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		December 2024	December 2023
			Amount	Percentage		
Depreciation and amortization	376,205,760	210,672,075	16,533,685	78.57%	1.59%	1.76%
Insurance	49,931,799	26,389,038	23,542,761	89.21%	0.21%	0.22%
Contracted Services	70,692,575	37,733,780	32,958,795	87.35%	0.30%	0.31%
Salaries and wages	19,738,077	11,123,826	8,614,251	77.44%	0.08%	0.09%
Rentals	799,698	6,731,915	(5,932,217)	-88.12%	0.00%	0.06%
Inventories issued	3,158,135	8,714,838	(5,556,703)	-63.76%	0.01%	0.07%
Others	43,385,739	25,737,805	17,647,934	68.57%	0.18%	0.21%
Cost of Sales	563,911,783	327,103,277	236,808,506	72.40%	2.39%	2.73%

Cost of Sales of electricity includes expenses incurred by those directly attributable to the generation of revenues from solar energy. For the 12-month ended December 31, 2024, the Group has recorded a total cost of sales of ₱563.9 million. This account is mainly comprised of depreciation of the solar power plant and amortization of ROU Assets which accounted for 67% of the total Cost of Sales. Other components are plant insurance, plant maintenance, power plant preventive maintenance schedule, salaries and wages, utilities, and others.

*General and Administrative Expenses*

Horizontal and Vertical Analysis of Comprehensive Income December 31, 2024 vs. December 31, 2023						
Amounts in ₱0.00	December 31, 2024 (1 year) (Audited)	December 31, 2023 (1 year) (Audited)	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		December 2024	December 2023
			Amount	Percentage		
Contracted Services	76,680,607	32,040,000	44,640,607	139.33%	0.32%	0.27%
Taxes and licenses	196,329,393	40,924,882	155,404,511	379.73%	0.83%	0.34%
Professional fees	1,323,251,871	67,000,766	1,256,251,105	1874.98%	5.60%	0.56%
Depreciation and amortization	3,530,910	5,560,646	(2,029,736)	-36.50%	0.01%	0.05%
Insurance	5,728,985	7,503,489	(1,774,504)	-23.65%	0.02%	0.06%
Rentals	1,881,144	8,252,107	(6,370,963)	-77.20%	0.01%	0.07%
Others	127,573,581	46,632,187	80,941,394	173.57%	0.54%	0.39%

Horizontal and Vertical Analysis of Comprehensive Income December 31, 2024 vs. December 31, 2023						
Amounts in ₱0.00	December 31, 2024 (1 year) (Audited)	December 31, 2023 (1 year) (Audited)	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		December 2024	December 2023
			Amount	Percentage		
General and Administrative Expenses	1,734,976,491	207,914,077	1,527,062,414	734.47%	7.35%	1.73%

General and Administrative Expenses include expenses that are not related to power generation activities. For the 12-month ended December 31, 2024, the Group recorded a total of cost of ₱1,735.0 million, an increase of ₱1,527.1 million versus the previous year. This significant increase pertains to legal fees incurred by TNI and TSPI and recorded under Professional Fees. Professional Fees account for 76% of the total General and Administrative Expenses. Other components include management fees, permits and licensing fees, bank charges, rent, and insurance not related to power generation activities.

#### *Finance Costs*

This account includes interest accretion on lease liabilities, accruals of interest on loan facilities of the Group, and others.

#### *Other Income (Expense)*

This account is mainly attributable to losses on the disposal of investments and exercise of put options amounting to ₱95.9 million, with foreign exchange gains also recognized during the period.

#### *Net Income (Loss)*

For the twelve (12)-month period ended December 31, 2024, the Group's net loss of ₱1,167.1 million.

#### *Other Comprehensive Income*

For the twelve (12)-month period ended December 31, 2024, the fair value increment amounting to ₱24,483.2 million, net of deferred income tax, pertains to the land of SPNEC, TNI, SPCC and SPTC.

#### Key Performance Indicators

Financial Ratios	Formula	December 2024	December 2023
Current Ratio	Dividing total current assets over total current liabilities	0.66	7.65
Quick Ratio	Dividing total current assets less inventory over current liabilities	0.66	7.63
Solvency Ratio	Dividing net income excluding depreciation and non-cash provisions over debt obligations	-0.06	0.70
Debt-to-Equity Ratio	Dividing total liabilities over stockholders' equity	0.38	0.21
Asset-to-Equity Ratio	Dividing total assets over total stockholders' equity	1.38	1.21
Interest Rate Coverage Ratio	Dividing earnings before interest and taxes of one period over interest of the same period	-2.87	36.71

Net Debt-to-Equity Ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	0.07	-0.16
Return on Equity	Dividing the net income (annual basis) by total stockholders' equity (average)	-2.15%	14.02%
Return on Assets	Dividing the net income (annual basis) by the total assets (average)	-1.64%	11.62%

The key factor influencing the change in the ratios is the Group's investment activities related to the TSPI project. The ratios are expected to improve upon commencement of TSPI's commercial operations.

- b. Material Changes to the Consolidated Statements of Financial Position as of December 31, 2023, compared to the Consolidated Statements of Financial Position as of December 31, 2022

Horizontal and Vertical Analysis of Financial Position December 31, 2023 vs. December 31, 2022						
Amounts in P0.00	December 31, 2023 (Audited)	December 31, 2022 (Audited)	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		December 2023	December 2022
			Amount	Percentage		
<b>Assets</b>						
Cash	10,040,424,627	37,232,084	10,003,192,543	26867.13%	19.62%	0.60%
Accounts receivable	286,288,062	-	286,288,062	100.00%	0.56%	0.00%
Subscription receivable	1,319,056	651,115,661	(649,796,605)	-99.80%	0.00%	10.50%
Inventories	24,800,913	-	24,800,913	100.00%	0.05%	0.00%
Due from related parties	126,920,310	821,388,320	(694,468,010)	-84.55%	0.25%	13.24%
Other current assets	744,366,136	18,638,843	725,727,293	3893.63%	1.45%	0.30%
<b>TOTAL CURRENT ASSETS</b>	<b>11,224,119,104</b>	<b>1,528,374,908</b>	<b>9,695,744,196</b>	<b>634.38%</b>	<b>21.93%</b>	<b>24.64%</b>
Property, plant and equipment	10,136,123,220	1,671,233,624	8,464,889,596	506.51%	19.80%	26.94%
Land	12,467,340,000	-	12,467,340,000	100.00%	24.36%	0.00%
Investment property	-	312,626,010	(312,626,010)	-100.00%	0.00%	5.04%
Deposits for land acquisition	3,396,776,396	2,026,892,396	1,369,884,000	67.59%	6.64%	32.67%
Deferred tax asset	9,646,601	10,201,126	(554,525)	-5.44%	0.02%	0.16%
Other noncurrent assets	676,962,959	654,395,146	22,567,813	3.45%	1.32%	10.55%
Intangible assets	13,261,891,642	-	13,261,891,642	100.00%	25.91%	0.00%
Goodwill	9,954,384	-	9,954,384	100.00%	0.02%	0.00%
<b>TOTAL NONCURRENT ASSETS</b>	<b>39,958,695,202</b>	<b>4,675,348,302</b>	<b>35,283,346,900</b>	<b>754.67%</b>	<b>78.07%</b>	<b>75.36%</b>
<b>TOTAL ASSETS</b>	<b>51,182,814,306</b>	<b>6,203,723,210</b>	<b>44,979,091,096</b>	<b>725.03%</b>	<b>100.00%</b>	<b>100.00%</b>

Horizontal and Vertical Analysis of Financial Position December 31, 2023 vs. December 31, 2022						
Amounts in ₱0.00	December 31, 2023 (Audited)	December 31, 2022 (Audited)	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		December 2023	December 2022
			Amount	Percentage		
<b>Liabilities and Equity</b>						
Accounts payable and accrued expenses	482,626,040	65,218,072	417,407,968	640.02%	0.94%	1.05%
Due to related parties	608,442,826	22,770,229	585,672,597	2572.10%	1.19%	0.37%
Current portion of notes payable	366,847,748	-	366,847,748	100.00%	0.72%	0.00%
Current portion of lease liabilities	8,962,861	4,538,676	4,424,185	97.48%	0.02%	0.07%
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,466,879,475</b>	<b>92,526,977</b>	<b>1,374,352,498</b>	<b>1485.35%</b>	<b>2.87%</b>	<b>1.49%</b>
Lease liabilities - net of current portion	381,109,300	298,599,744	82,509,556	27.63%	0.74%	4.81%
Notes payable - net of current portion	2,729,695,924	-	2,729,695,924	100.00%	5.33%	0.00%
Deferred tax liabilities	4,086,521,200	-	4,086,521,200	100.00%	7.98%	0.00%
Other noncurrent liabilities	98,633,404	-	98,633,404	100.00%	0.19%	0.00%
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>7,295,959,828</b>	<b>298,599,744</b>	<b>6,997,360,084</b>	<b>2343.39%</b>	<b>14.25%</b>	<b>4.81%</b>
<b>TOTAL LIABILITIES</b>	<b>8,762,839,303</b>	<b>391,126,721</b>	<b>8,371,712,582</b>	<b>2140.41%</b>	<b>17.12%</b>	<b>6.30%</b>
Capital stock	3,437,305,000	1,000,000,000	2,437,305,000	243.73%	6.72%	16.12%
Additional paid-in capital	5,713,764,409	4,938,722,430	775,041,979	15.69%	11.16%	79.61%
Deposit for future stock subscription	15,894,042,026	-	15,894,042,026	100.00%	31.05%	0.00%
Equity reserve	525,755,142	-	525,755,142	100.00%	1.03%	0.00%
Revaluation surplus	8,268,091,263	-	8,268,091,263	100.00%	16.15%	0.00%
Retained earnings (Deficit)	5,546,151,067	(126,125,941)	5,672,277,008	-4497.31%	10.84%	-2.03%
Non-Controlling Interest	3,034,866,096	-	3,034,866,096	100.00%	5.93%	0.00%
<b>TOTAL EQUITY</b>	<b>42,419,975,003</b>	<b>5,812,596,489</b>	<b>36,607,378,514</b>	<b>629.79%</b>	<b>82.88%</b>	<b>93.70%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>51,182,814,306</b>	<b>6,203,723,210</b>	<b>44,979,091,096</b>	<b>725.03%</b>	<b>100.00%</b>	<b>100.00%</b>



### *Cash*

As of 31 December 2023, the Parent Company collected its subscription receivables amounting to ₱649.8 million and received a net advance from a related party of ₱163.3 million. These amounts were used for the payment of construction-related expenses of ₱468.0 million, and deposits for land acquisition amounting to ₱297.5 million.

On 10 May 2023, SPNEC received ₱2,437.3 million from SP Project Holdings for the subscription of 24,373.05 million common shares at ₱0.10 par value. Further, in 2023, SPNEC accepted a cash infusion from SP Project Holdings amounting to ₱776.9 million as additional paid-in capital to SP Project Holdings' existing subscription in SPNEC. The proceeds were used for the purchase of Solar Philippines Assets.

In November and December 2023, the Parent Company received the full subscription of MGreen amounting to ₱15,894.0 million, which was partially used to acquire 100% of the shares of Prime in TSPI for ₱6,000.0 million, and payment for the Parent Company's general and administrative expenses. The balance of the proceeds will be used for the development of the TSPI project.

During the period, the Parent Company's subsidiaries including SPCC, SPTC and SPRC received payments from customers amounting to ₱1,122.3 million, of which ₱339.3 million were used for its operating expenses. SPCC and SPTC made loan payments amounting to ₱328.4 million and ₱285.7 million, respectively. As of 31 December 2023, SPCC paid dividends to its shareholders amounting to ₱95.1 million and capital expenditures amounting to ₱47.5 million.

### *Trade Receivables*

Trade receivable arises from the revenue from the sale of electricity, and sale of goods and services of the subsidiaries. These are either interest or non-interest bearing depending on the clause indicated in the contract and generally collectible within 40 to 60 days.

Outstanding receivable as of 31 December 2023, pertains to receivable by SPCC from National Transmission Corporation ("Transco") amounting to ₱178.7 million, receivable by SPTC from Manila Electric Company ("MERALCO") amounting to ₱78.8 million and the balance is SPRC's transactions from its Power Purchase Agreement (PPA) and Engineering, Procurement, Construction (EPC) services.

### *Subscription Receivable*

Subscription receivable represents shares of stock subscribed to and issued by the Parent Company but payment from the shareholders has not yet been received.

As of 31 December 2023, the Parent Company made collections for subscription receivable amounting to ₱649.8 million.

### *Inventories*

This account pertains to the inventories on hand of SPRC which are to be used for the construction of its contracted Projects amounting to ₱24.8 million.

### *Due from Related Parties*

As of 31 December 2023, the balance of the Parent Company's advances to related parties is ₱29.9 million, while the subsidiaries' balance of advances to related parties amounted to ₱97.0 million.

### *Other Current Assets*

This account mainly consists of short-term investments amounting to ₱575.8 million that are restricted interest-bearing accounts opened and established by SPCC and SPTC in accordance with certain loan and service agreements that will serve as a cash reserve or deposit for the principal and/or interest payments due on the loans. This also includes prepayments such as insurance, taxes, rent, and trust fees of ₱50.3 million, input VAT of ₱35.5 million, cash bond deposits of ₱20.3 million, advance payment to suppliers of ₱15.3 million, performance bond of ₱15.8 million, VAT Receivable of SPTC and SPCC of ₱16.5 million, creditable withholding taxes of ₱8.7 million and other non-trade receivables of ₱6.3 million.

### *Property, Plant, and Equipment (At Cost)*

The substantial increase in this account is due to the addition of the Solar Power Plants of SPTC, SPCC and SPRC totaling a net book value of ₱7,037.6 million as of 31 December 2023, and Construction in Progress (CIP) of SPTC for its 15MW Solar Power Plant; SPRC and LRSC for its PPA Projects, totaling to ₱779.7 million. During the period, the Parent Company incurred a total amount of ₱468.0 million which was capitalized to CIP for the ongoing construction of its 50MW Solar Power Plant.

The Parent Company's Right of Use Assets ("ROU Assets") has a total land area of 352.42 hectares with a net book value of ₱254.0 million. Also, added to this account are the ROU Assets of SPTC comprising of 102.49 hectares of land with a net book value as of 31 December 2023 of ₱200.1 million.

As of 31 December 2023, the total land area under lease of the Group, including the Parent and SPTC is at 454.26 hectares.

### *Property, Plant, and Equipment (At Fair Value)*

This pertains to the parcels of land currently owned by the Group, including TNI, SPCC and SPTC, which was reported at their fair market value as of 31 December 2023.

As of 31 December 2023, the Group has a total area of 670.43 hectares of land.

### *Deposits for Land Acquisition*

For the twelve (12)-month period ended 31 December 2023, the Group made deposits for land acquisition including land-related costs to various landowners amounting to ₱887.3 million. The total amount of ₱434.2 million paid by SPTC and SPCC was added to this account.

### *Other Noncurrent Assets*

This account mainly consists of long-term receivable by SPCC from Transco related to the FIT adjustments amounting to ₱319.0 million, input VAT of ₱216.5 million of SPNEC, TNI and SPTC, TSPI project development cost of ₱75.1 million, construction materials of ₱50.6 million, long-term security deposits on leased properties of ₱9.4 million and Right-of-Way contracts of ₱6.3 million.

### *Intangible Assets*

The intangible assets recorded as of 31 December 2023, pertain to the fair values of the identifiable assets of TSPI, which is mainly attributable to the Power Supply Agreement of TSPI that existed at the time of the acquisition amounting to ₱13,261.9 million.

### *Goodwill*

Goodwill arose in the acquisition of TSPI because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefits of expected synergies and future market growth. The total goodwill recognized as of 31 December 2023, amounted to ₱9.9 million which is the difference between the fair value of the identifiable net assets and the total consideration.

### *Trade and Other Payables*

Trade and other payables include (i) Accounts payable are non-interest bearing and are normally settled within one year (ii) withholding tax payable pertains to withholding taxes on professional fees and various payments to contractors for services rendered (iii) accrued expenses consist mainly of accrual for benefits to host communities, light and water, professional fees, and (iv) differential cost of replacement energy charged by MERALCO to SPTC.

The third-party payables for the purchase of goods and services by the Group totaling ₱50.0 million, accrued interests for the loan facilities of SPTC and SPCC amounting to ₱99.3 million, related party payables amounting to ₱185.1 million as a result of business combination, accrued expenses totaling ₱100.3 million, income tax payable of ₱21.7 million, withholding taxes of ₱13.0 million, deferred output VAT of ₱8.9 million, and statutory payables of ₱4.4 million.

### *Due to Related Parties*

As of 3, December 2023, SPNEC's balance of the advances from SP Project Holdings amounted to ₱129.8 million. Also, as a result of the consolidation of Solar Philippines Assets, the amount of ₱478.4 million was also added to this account.

### *Lease Liabilities*

As of 31 December 2023, the total land area under lease of the Group, including the Parent and SPTC is at 454.26 hectares. The outstanding lease liabilities of the Parent and SPTC are ₱291.0 million and ₱99.1 million, respectively.

### *Notes Payable*

This account pertains to the loans payable of SPTC and SPCC which were recorded in the Group's financial statements as of 31 December 2023 totaling ₱3,096.5 million.

### *SPCC – Omnibus Loan and Security Agreement (“OLSA”) (₱3,400.0 million Loan)*

On 14 February 2017, SPCC signed an OLSA with BDO Unibank, Inc. (“**BDO**”), Philippine Business Bank and United Coconut Planters Bank (collectively referred to as the “SPCC Lenders”) for a long-term loan facility of ₱3,400.0 million to finance the repayment of short-term loan facility, including accrued interests, and its Project advances from SP Project Holdings and Solar Philippines Commercial Rooftop Projects, Inc. (“**SPCRPI**”), which were used to partially finance the construction of the Calatagan Solar Power Project. The long-term loan from the OLSA carries an interest rate of 6.85% per annum up to 3 April 2022, at which a fixed repricing of the rate has been made to 7.96% per annum for the remainder of the long-term loan. An increase in the Gross Receipts Tax rate is expected on 3 April 2024. The principal repayment period shall be semi-annual from 3 October 2018 up to 3 April 2029.

As of 31 December 2023, the loan has an outstanding balance of ₱1,192.6 million.

### SPTC – OLSA (P2,225.0 million Loan)

On 18 June 2019, SPTC signed an OLSA with BDO for a long-term loan facility of P2,225.0 million to solely finance the construction of the Concepcion Solar Project.

The proceeds of the loan amounting P2,002.5 million and P222.5 million were received on 3 July 2019 and 25 July 2019, respectively. The principal repayment period shall be semi-annual beginning on 3 January 2021 up to 25 July 2031.

As of 31 December 2023, the loan has an outstanding balance of P1,903.9 million.

### *Deferred Tax Liabilities*

This account arises from the recognition of ROU Assets, lease liabilities, and fair value measurement of the Group's land.

### *Other Noncurrent Liabilities*

This account consists of the noncurrent portion of replacement energy costs payable by SPTC to MERALCO of P95.4 million. The current portion of this replacement energy amounting to P12.1 million was presented as part of the trade and other payables.

### *Capital Stock*

On 15 May 2023, SP Project Holdings and the Parent Company entered into a Subscription Agreement, whereby SP Project Holdings agreed to subscribe to 24,373,050,000 common shares at the par value of P0.10 per share out of the Parent Company's increase in authorized capital stock ("**ACS Increase**") upon its approval by the SEC.

On 31 May 2023, the Parent Company filed with the SEC its application for ACS Increase and the corresponding amendment of its Articles of Incorporation increasing the authorized capital stock from One Billion Pesos (P1,000,000,000.00) divided into 10 billion common shares at par value of P0.10 per share to Five Billion Pesos (P5,000,000,000.00) divided into 50 billion common shares at par value of P0.10 per share.

On 1 June 2023, the SEC approved the Parent Company's ACS Increase application.

As of 31 December 2023, with the abovementioned transactions during the period, the outstanding capital stock of SPNEC increased from P1,000.0 million to P3,437.3 million.

### *Additional Paid-in Capital*

In 2023, SPNEC received a cash infusion from SP Project Holdings amounting to P776.9 million as additional paid-in capital to SP Project Holdings' existing subscription in SPNEC. This was recognized as additional paid-in capital under equity.

### *Deposit for Future Stock Subscription*

On 30 November 2023, SPNEC entered into a Subscription Agreement with MGreen to subscribe to (i) 15.7 billion common shares with par value of P0.10 per share and (ii) 19.4 billion preferred shares with par value of P0.01 per share for a total subscription price of P15.9 billion. On the same date, SPNEC received partial cash subscription from MGreen amounting to P7.0 billion, and the balance amounting to P8.9 billion was received on 27 December 2023.

On 6 December 2023, SPNEC filed an application with the SEC an increase in authorized capital stock, from which proposed increase the subscription shares of MGreen will be issued. As of 31 December 2023, SPNEC presented the cash subscription amounting to ₱15.9 billion as “Deposits for future stock subscription” under Equity.

#### *Equity Reserves*

This represents the impact of the common control business combination as a result of the Parent Company’s modified acquisition of 100% of the outstanding shares of SP Project Holdings in various entities (i.e., Solar Philippines Assets.)

#### *Revaluation Surplus*

The Group’s land is comprised of parcels of land with a total land area of 670.43 hectares as of 31 December 2023, which was recorded at fair value.

As of 31 December 2023, the fair value increment amounting to ₱6,041.4 million, net of deferred income tax, is recognized in other comprehensive income, and accumulated in equity under “Revaluation surplus” account amounting to ₱8,268.1 million, net of deferred income tax.

#### *Retained Earnings*

The Group has gained a net income of ₱5,947.6 million and incurred ₱55.0 million in stock issuance costs which was charged against APIC for the twelve-month period ending 31 December 2023.

Material Changes to the Consolidated Statements of Comprehensive Income for the Twelve (12)-months ended 31 December 2023, compared to the Statements of Comprehensive Income for the Six (6)-months ended 31 December 2022

As of 31 December 2023, the Parent Company has subsidiaries that are in commercial operations.

#### *Revenue*

From the date of the acquisition of Solar Philippines Assets and up to 31 December 2023, the Group has recorded a total of ₱635.5 million revenue, mainly contributed by SPCC, SPRC, and SPTC from the sale of electricity.

<b>Horizontal and Vertical Analysis of Comprehensive Income December 31, 2023 vs. December 31, 2022</b>						
<b>Amounts in ₱0.00</b>	<b>December 31, 2023 (12 months)</b>	<b>December 31, 2022 (6 months)</b>	<b>Horizontal Analysis</b>		<b>Vertical Analysis</b>	
			<b>Increase/(Decrease)</b>		<b>December 2023</b>	<b>December 2022</b>
			<i>Amount</i>	<i>Percentage</i>		
Revenue	635,451,217	-	635,451,217	100.00%	5.30%	0.00%
Cost of sales	(327,103,277)	-	(327,103,277)	100.00%	-2.73%	0.00%
<b>GROSS PROFIT</b>	<b>308,347,940</b>	<b>-</b>	<b>308,347,940</b>	<b>100.00%</b>	<b>2.57%</b>	<b>0.00%</b>
General and administrative expenses	(207,914,077)	(38,010,960)	(169,903,117)	446.98%	-1.73%	94.06%
Other income (Expense)	6,008,335,292	-	6,008,335,292	100.00%	50.12%	0.00%
Finance costs	(167,232,021)	(4,532,695)	(162,699,326)	3589.46%	-1.39%	11.22%
Interest income	29,993,447	2,398,960	27,594,487	1150.27%	0.25%	-5.94%

<b>INCOME (LOSS) BEFORE TAX</b>	<b>5,971,530,581</b>	<b>(40,144,695)</b>	<b>6,011,675,276</b>	<b>-</b> <b>14975.02%</b>	<b>49.81%</b>	<b>99.34%</b>
Provision for income tax	23,949,830	265,138	23,684,692	8932.97%	0.20%	-0.66%
<b>NET INCOME (LOSS) AFTER TAX</b>	<b>5,947,580,751</b>	<b>(40,409,833)</b>	<b>5,987,990,584</b>	<b>-</b> <b>14818.15%</b>	<b>49.61%</b>	<b>100.00%</b>
Other comprehensive income	6,041,394,357	-	<b>6,041,394,357</b>	<b>100.00%</b>	<b>50.39%</b>	<b>0.00%</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>11,988,975,107</b>	<b>(40,409,833)</b>	<b>12,029,384,940</b>	<b>-</b> <b>29768.46%</b>	<b>100.00%</b>	<b>100.00%</b>

*Cost of Sales*

<b>Horizontal and Vertical Analysis of Comprehensive Income December 31, 2023 vs. December 31, 2022</b>						
<b>Amounts in ₱0.00</b>	<b>December 31, 2023 (12 months)</b>	<b>December 31, 2022 (6 months)</b>	<b>Horizontal Analysis</b>		<b>Vertical Analysis</b>	
			<b>Increase/(Decrease)</b>		<b>December 2023</b>	<b>December 2022</b>
			<i>Amount</i>	<i>Percentage</i>		
Depreciation and amortization	<b>210,672,075</b>	-	210,672,075	100.00%	1.76%	0.00%
Insurance	<b>26,389,038</b>	-	26,389,038	100.00%	0.22%	0.00%
Manpower services	<b>25,163,828</b>	-	25,163,828	100.00%	0.21%	0.00%
Security services	<b>12,569,952</b>	-	12,569,952	100.00%	0.10%	0.00%
Salaries and wages	<b>11,123,826</b>	-	11,123,826	100.00%	0.09%	0.00%
Inventories issued	<b>8,714,838</b>	-	8,714,838	100.00%	0.07%	0.00%
Rental	<b>6,731,915</b>	-	6,731,915	100.00%	0.06%	0.00%
Others	<b>25,737,805</b>	-	25,737,805	100.00%	0.21%	0.00%
<b>Cost of Sales</b>	<b>327,103,277</b>	-	<b>327,103,277</b>	<b>100.00%</b>	<b>2.73%</b>	<b>0.00%</b>

Costs of sale of electricity include expenses incurred by those directly attributable to the generation of revenues from solar energy. From the date of the acquisition of Solar Philippines Assets and up to 31 December 2023, the Group has recorded total cost of sales of ₱327.1 million. This account mainly comprised of depreciation of the solar power plant and amortization of ROU Assets which accounted for 64% of the total Cost of Sales. Other components are plant insurance, plant maintenance, power plant preventive maintenance schedule, salaries and wages, utilities, and others.

*General and Administrative Expenses*

<b>Horizontal and Vertical Analysis of Comprehensive Income December 31, 2023 vs. December 31, 2022</b>						
<b>Amounts in ₱0.00</b>	<b>December 31, 2023 (12 months)</b>	<b>December 31, 2022 (6 months)</b>	<b>Horizontal Analysis</b>		<b>Vertical Analysis</b>	
			<b>Increase/(Decrease)</b>		<b>December 2023</b>	<b>December 2022</b>
			<i>Amount</i>	<i>Percentage</i>		
Taxes and licenses	40,924,882	6,848,628	34,076,254	497.56%	0.34%	-16.95%

Horizontal and Vertical Analysis of Comprehensive Income December 31, 2023 vs. December 31, 2022						
Amounts in ₱0.00	December 31, 2023 (12 months)	December 31, 2022 (6 months)	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		December 2023	December 2022
			Amount	Percentage		
Management fees	32,040,000	12,800,000	19,240,000	150.31%	0.27%	-31.68%
Professional fees	67,000,766	6,401,289	60,599,477	946.68%	0.56%	-15.84%
Depreciation and amortization	5,560,646	2,584,193	2,978,453	115.26%	0.05%	-6.39%
Bid related cost	7,499,277	-	7,499,277	100.00%	0.06%	0.00%
Penalties and surcharges	6,180,173	1,819,212	4,360,961	239.72%	0.05%	-4.50%
Insurance	7,503,489	-	7,503,489	100.00%	0.06%	0.00%
Trust fees	3,218,271	-	3,218,271	100.00%	0.03%	0.00%
Rental	8,252,107	-	8,252,107	100.00%	0.07%	0.00%
Government share	3,620,537	-	3,620,537	100.00%	0.03%	0.00%
Benefits to host communities	2,346,121	-	2,346,121	100.00%	0.02%	0.00%
Others	23,767,808	7,557,638	16,208,170	214.46%	0.20%	-18.70%
<b>General and Administrative Expenses</b>	<b>207,914,077</b>	<b>38,010,960</b>	<b>169,903,117</b>	<b>446.98%</b>	<b>1.73%</b>	<b>-94.06%</b>

#### *Taxes and Licenses*

This account consists of the Group's payments for corporate business permit renewal, insurance-related taxes, land-related payments such as real property taxes, CTC of titles, tax declarations, DAR filing fees, etc. This also includes PSE listing maintenance fees.

#### *Management Fee*

For the twelve (12)-month periods ended 31 December 2023, and 2022, the management fees recorded amounted to ₱32.0 million and ₱12.8 million, respectively. The increase pertains to the recorded management fee for SPCC.

#### *Professional Fees*

These are audit fees, appraisal fees on properties of the Group, directors' fees, legal, and other consultancy services incurred by the Group. The significant increase to this account pertains to the legal fees related to the TSPI project.

#### *Depreciation and Amortization*

For the twelve (12)-month period ended 31 December 2023, the Group recognized amortization of ROU assets amounting to ₱5.2 million and the balance for the depreciation of other fixed assets.

### *Penalties and Surcharges*

This pertains to the Group's payment of interest on tax deficiencies, amendments of 2022 BIR returns and PSE penalties for late disclosures.

### *Trust Fees*

These are fees for the maintenance of the Group's trust accounts, specifically for SPNEC, SPTC and SPCC.

### *Rental*

These are mostly vehicle rentals that the Group incurred in relation to the land acquisition for project development.

### *Government Share*

The government share shall be equal to one percent (1%) of the gross income from the sale of electricity generated from solar energy operations. The amount recorded to this account pertains to SPCC and SPTC.

### *Benefits to Host Communities*

Energy Regulations (E.R.) No. 1-94, grant financial benefits to the host communities/local government units (LGUs) of the energy-generation company and/or energy sources. This requires all energy generation companies and/or energy resource developers to provide financial benefits equivalent to one centavo per kilowatt-hour (₱0.01/kWh) of the total electricity sales of the generation facility to the region, province, city or municipality and barangay that host the generation facility, as well as establishment of corresponding trust accounts and the administration thereof by the Department of Energy. The amount recorded to this account pertains to SPCC and SPTC.

### *Bid Related Costs/Insurance*

This account pertains to the amortization of performance/surety bond fees of the Group's various projects.

### *Others*

This account consists of supplies, utilities, accommodations, repairs and maintenance, couriers and postages, and other operating expenses for plant operations of the Group. This also included provisions for impairment losses that the Group has recognized for the period.

### *Finance Costs*

This account includes interest accretion on lease liabilities, accruals of interest on loan facilities of the Group, and others.

### *Other Income (Expense)*

This account is mainly attributable to the remeasurement of its previously held interest in TSPI based on the provisional fair value which resulted in a remeasurement gain of ₱5,964.0 million.



### Net Income

For the twelve-month period ended 31 December 2023, the Group has gained a net income of ₱5,947.6 million, which is basically due to the remeasurement gain of ₱5,964.0 million as discussed in the other income (expense) account.

### Other Comprehensive Income

For the twelve (12)-month period ended 31 December 2023, the fair value increment amounting to ₱6,041.7.0 million, net of deferred income tax, pertains to the land of TNI, SPCC and SPTC.

### Key Performance Indicators

Ratio	Formula	December 2023	December 2022
Current ratio	Dividing total current assets over total current liabilities	7.65	16.52
Acid test ratio	Dividing total current assets less inventory over total current liabilities	7.63	16.52
Solvency ratio	Dividing net income excluding depreciation and non-cash provisions over total debt obligations	0.70	N/A
Debt-to-equity ratio	Dividing total liabilities over stockholders' equity	0.21	0.07
Asset-to-equity ratio	Dividing total assets over total stockholders' equity	1.21	1.07
Interest rate coverage ratio	Dividing earnings before interest and taxes of one period over interest expense of the same period	36.70	N/A
Net debt-to-equity Ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	-0.16	N/A
Return on equity (%)	Dividing the net income (annual basis) by total stockholders' equity (average)	14.02%	N/A
Return on assets (%)	Dividing the net income (annual basis) by the total assets (average)	11.62%	N/A

- c. Material Changes to the Consolidated Statements of Financial Position as of December 31, 2022, compared to the Statement of Financial Position as of June 30, 2022

Horizontal and Vertical Analysis of Consolidated Financial Position December 31, 2022 vs. June 30, 2022						
Amounts in ₱0.00	December 31, 2022	June 30, 2022	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		December 2022	June 2022
			Amount	Percentage		
<b>Assets</b>						
Cash	37,232,084	886,758,302	(849,526,218)	-95.80%	0.60%	26.05%

Horizontal and Vertical Analysis of Consolidated Financial Position December 31, 2022 vs. June 30, 2022						
Amounts in ₱0.00	December 31, 2022	June 30, 2022	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		December 2022	June 2022
			Amount	Percentage		
Subscription receivable	651,115,661	-	651,115,661	100.00%	10.50%	0.00%
Due from related parties	821,388,320	541,700,000	279,688,320	51.63%	13.24%	15.91%
Other current assets	18,638,843	20,789,388	(2,150,545)	-10.34%	0.30%	0.61%
<b>TOTAL CURRENT ASSETS</b>	<b>1,528,374,908</b>	<b>1,449,247,690</b>	<b>79,127,218</b>	<b>5.46%</b>	<b>24.64%</b>	<b>42.58%</b>
Deposits for land acquisition	2,026,892,396	621,499,933	1,405,392,463	226.13%	32.67%	18.26%
Property, plant and equipment	1,389,743,501	921,385,618	468,357,883	50.83%	22.40%	27.07%
Investment properties	312,626,010	-	312,626,010	100.00%	5.04%	0.00%
Right-of-use assets	281,490,123	286,910,493	(5,420,370)	-1.89%	4.54%	8.43%
Deferred income tax asset - net	10,201,126	10,466,264	(265,138)	-2.53%	0.16%	0.31%
Other noncurrent assets	654,395,146	114,218,372	540,176,774	472.93%	10.55%	3.36%
<b>TOTAL NONCURRENT ASSETS</b>	<b>4,675,348,302</b>	<b>1,954,480,680</b>	<b>2,720,867,622</b>	<b>139.21%</b>	<b>75.36%</b>	<b>57.42%</b>
<b>TOTAL ASSETS</b>	<b>6,203,723,210</b>	<b>3,403,728,370</b>	<b>2,799,994,840</b>	<b>82.26%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Liabilities and Equity</b>						
Accounts payable and accrued expenses	65,218,072	13,000,260	52,217,812	401.67%	1.05%	0.38%
Due to a related party	22,770,229	22,792,348	(22,119)	-0.10%	0.37%	0.67%
Current portion of lease liabilities	4,538,676	4,538,676	-	0.00%	0.07%	0.13%
<b>TOTAL CURRENT LIABILITIES</b>	<b>92,526,977</b>	<b>40,331,284</b>	<b>52,195,693</b>	<b>129.42%</b>	<b>1.49%</b>	<b>1.18%</b>
Lease liabilities - Net of current portion	298,599,744	289,340,172	9,259,572	3.20%	4.81%	8.50%
<b>TOTAL LIABILITIES</b>	<b>391,126,721</b>	<b>329,671,456</b>	<b>61,455,265</b>	<b>18.64%</b>	<b>6.30%</b>	<b>9.69%</b>
Capital stock	1,000,000,000	812,435,001	187,564,999	23.09%	16.12%	23.87%
Additional paid-in capital	4,938,722,430	2,347,338,022	2,591,384,409	110.40%	79.61%	68.96%
Deficit	(126,125,941)	(85,716,108)	(40,409,833)	47.14%	-2.03%	-2.52%
<b>TOTAL EQUITY</b>	<b>5,812,596,489</b>	<b>3,074,056,911</b>	<b>2,738,539,575</b>	<b>89.09%</b>	<b>93.70%</b>	<b>90.31%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,203,723,210</b>	<b>3,403,728,370</b>	<b>2,799,994,840</b>	<b>82.26%</b>	<b>100.00%</b>	<b>100.00%</b>

### *Cash*

In September 2022, the Company completed its Stock Rights Offering (SRO) and received partial proceeds totaling ₱1,971.9 million and paid SRO-related expenses amounting to ₱13.1 million. Additional collections amounting to ₱190.48 million were received as of December 31, 2022.

For the six-month period ended December 31, 2022, the Group made various deposits for land acquisition amounting to ₱1,405.4 million, ₱500.0 million for land conversions, and incurred an amount of ₱468.2 million for the construction of the project. This resulted in a net decrease in cash account by 95.80% from ₱886.8 million as of June 30, 2022 to ₱37.2 million as of December 31, 2022.

### *Subscription Receivable*

Subscription receivable represents shares of stock subscribed and issued by the Company but payment from the shareholders has not yet been received.

In relation to the Stock Rights Offering, the Company has offered two options for the payment of the total subscription price for the Rights Shares:

- a. Option 1 – full payment of the total subscription price upon submission of the Application; and
- b. Option 2 – installment payment, with a down payment of 25% of the total subscription price for the Rights Shares upon submission of the Application, and the balance of 75% of the total subscription price to be paid in full one time directly to the Company, or on its instructions, to its nominee for this purpose, on any day within three months from the end of the Offer Period for Eligible Shareholders (i.e., from 6 September 2022 to 5 December 2022); within three months from the end of the QB Take-Up for the Qualified Buyers; and within three months from the end of the Sweep Period for the Principal Shareholder.

As of December 31, 2022, subscription receivable resulting from those that subscribed on installment payment amounted to ₱651.1 million.

### *Due from Related Parties*

On April 6, 2022, the BOD, pursuant to its approval on December 20, 2021, approved the allocation of IPO proceeds to advance the funding for pursuing offtake agreements and developing projects for Terra Renewables Holdings, Inc. (Terra) and its associated developments to SP Holdings, Inc. (SPHI), given that SPHI is a shareholder in Terra and that SPHI is planned to be a subsidiary of SPNEC through the share swap approved by SPNEC's stockholders on March 7 2022, provided this would only be from the excess of the amount needed by Phase 1A of the Nueva Ecija-1 solar project and would form part of the expansion of the Company's projects. For the six-month period ended December 31, 2022, the Company made additional advances amounting to ₱279.69 million to its related parties.

SPNEC also made advances to SPPPHI for ₱8.7 million and SPCRPI for ₱19.1 million, to fund the payment of GEAP performance bonds.

### *Other Current Assets*

Other Current Assets decreased by 10.34% from ₱20.8 million as of June 30, 2022 to ₱18.6 million as of December 31, 2022. This is primarily due to the amortization of bid security bond and performance bond for the Nueva Ecija-1 project amounting to ₱1.4 million.

### *Deposits for Land Acquisition*

Furthermore, for the six-month period ended December 31, 2022, the Group made deposits for land acquisition including land-related costs to various landowners amounting to ₱1,405.4 million. This caused the deposits for land acquisition to increase from ₱621.5 million as of June 30, 2022, to ₱2,026.9 million as of December 31, 2022.

### *Property, Plant, and Equipment*

Construction in progress increased by 50.83% from ₱921.4 million as of June 30, 2022 to ₱1,389.7 million as of December 31, 2022. As the construction for the project continues, the Company incurred costs for materials needed for the project such as solar photovoltaic modules, mounting structures, and other construction materials, equipment rentals and manpower totaling to ₱468.4 million. The Company also capitalized the interest accretion of lease liability and amortization of ROU asset for the six-month period ended December 31, 2022 totaling to ₱7.5 million.

### *Investment Properties*

As of December 31, 2022, investment properties primarily include parcels of land located in Nueva Ecija with a total area of 316.46 hectares. These properties were obtained by TNI from various landowners through various Deeds of Absolute Sale (DOAs) Agreements executed in 2022. The total cost of the investment properties, including land-related costs amounted to ₱312.6 million as at December 31, 2022.

### *Right-of-Use (“ROU”) Assets*

SPNEC recognized ROU assets in this regard, which decreased by 1.89% from ₱286.9 million as of June 30, 2022 to ₱281.5 million as of December 31, 2022 due to amortization during the period from July 1, 2022 to December 31, 2022 amounting to ₱5.4 million.

### *Deferred Tax Asset/Deferred Tax Liability*

The Group’s net deferred tax asset as at December 31, 2022 and net deferred tax liability as at June 30, 2022 came from recognition on ROU assets and lease liabilities.

### *Other Noncurrent Assets*

Increase in this account by 472.19% from ₱114.2 million as of fiscal year ended June 30, 2022 to ₱654.4 million as of December 31, 2022, is primarily due to the deposits made by TNI to SPPPHI to secure the land conversion orders for its acquired land and due to the increase in Input VAT related to various related party transactions made by the Group for the project development and site acquisition services amounting to ₱36.0 million.

TNI entered into a Deposit and Services Agreement with SPPPHI, in which SPPPHI shall perform the following—provide assistance, representation, facilitation of documentation and submission of necessary documents and liaison with relevant government units, agencies and offices including government owned and controlled corporations to secure land use conversion orders from the Department of Agrarian Reform (“DAR”) for the 992.77 hectares acquired by TNI and the delivery to TNI of the relevant conversion orders from the date of the agreement until December 31, 2024 to the full satisfaction of the TNI. TNI has deposited ₱500.0 million in advance for this agreement.

### *Accounts Payable and Accrued Expenses*

Accounts Payable and Accrued Expenses increased by 401.67% from ₱13.0 million as of June 30, 2022

to ₱65.2 million as of December 31, 2022. This was primarily due to increase in taxes withheld by the Group for the construction support and project development agreements amounting to ₱46.6 million.

#### *Due to a Related Party*

SPNEC, in the normal course of business, has transactions with SPPPHI, which are recorded as advances. These advances are unsecured, non-interest bearing, due and demandable. No movement in the account from June 30, 2022 to December 31, 2022.

#### *Lease Liabilities*

The increase in total lease liabilities of 3.20% from ₱293.9 million as of June 30, 2022 to ₱303.1 million as of December 31, 2022 is due to the accretion of interest during the period amounting to ₱9.3 million.

#### *Common Stock and Additional Paid-in Capital*

On September 15, 2022, the Company completed its SRO and issued 1,875,649,995 new common shares for a total consideration of ₱2,813.5 million or at a price of PhP1.50 per share. This resulted in an additional paid-in capital of ₱2,591.4 million, net of transaction costs of ₱34.5 million.

As of December 31, 2022, 10,000.0 million common shares are issued and outstanding with an amount of ₱1,000.0 million presented as Common Stock.

#### *Deficit*

Deficit increased by 47.14% from ₱85.7 million as of fiscal year ended June 30, 2022, to ₱126.1 million as of December 31, 2022. This is primarily due to the net losses incurred during the period amounted to ₱40.4 million.

#### Material Changes to the Consolidated Statements of Comprehensive Income for the Six (6) Months Ended December 31, 2022 Compared to the Statement of Comprehensive Income for the Year Ended June 30, 2022

<b>Horizontal and Vertical Analysis of Comprehensive Income December 31, 2022 vs. June 30, 2022</b>						
<b>Amounts in ₱0.00</b>	<b>December 31, 2022 (six months)</b>	<b>June 30, 2022 (one year)</b>	<b>Horizontal Analysis</b>		<b>Vertical Analysis</b>	
			<b>Increase/(Decrease)</b>		<b>December 2022</b>	<b>June 2022</b>
			<i>Amount</i>	<i>Percentage</i>		
Interest Income	2,398,960	548,180	1,850,780	337.62%	5.94%	0.90%
<b>Expenses</b>						
Management fee	12,800,000	24,000,000	(11,200,000)	-46.67%	31.68%	39.62%
Taxes and licenses	6,848,628	10,592,654	(3,744,026)	-35.35%	16.95%	17.49%
Professional fee	6,401,289	6,540,000	(138,711)	-2.12%	15.84%	10.80%
Interest accretion of lease liabilities	4,532,695	9,142,009	(4,609,314)	-50.42%	11.22%	15.09%
Amortization of right-of-use asset	2,584,193	5,420,370	(2,836,177)	-52.32%	6.39%	8.95%
Penalties and surcharges	1,819,212	48,055	1,771,157	3685.69%	4.50%	0.08%
Supplies	1,395,501	409,081	986,420	241.13%	3.45%	0.68%
Advertising	784,398	-	784,398	100.00%	1.94%	0.00%
PSE Filing Fee	-	12,465,411	(12,465,411)	-100.00%	0.00%	20.58%
Bid-related cost	-	1,634,000	(1,634,000)	-100.00%	0.00%	2.70%

Others	5,377,739	2,246,603	3,131,136	139.37%	13.31%	3.71%
<b>Total Expenses</b>	<b>42,543,655</b>	<b>72,498,183</b>	<b>(29,954,528)</b>	<b>-41.32%</b>	<b>105.28%</b>	<b>119.67%</b>
<b>LOSS BEFORE TAX</b>	<b>40,144,695</b>	<b>71,950,003</b>	<b>(31,805,308)</b>	<b>-44.20%</b>	<b>99.34%</b>	<b>118.77%</b>
Benefit from deferred tax	265,138	(11,370,555)	11,635,693	-102.33%	0.66%	-18.77%
<b>NET LOSS AFTER TAX</b>	<b>40,409,833</b>	<b>60,579,448</b>	<b>(20,169,615)</b>	<b>-33.29%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>40,409,833</b>	<b>60,579,448</b>	<b>(20,169,615)</b>	<b>-33.29%</b>	<b>100.00%</b>	<b>100.00%</b>

#### *Management Fee*

On April 30, 2021, the Company entered into a Management Service Agreement with SPPPHI, its parent company, to provide executive and leadership support and execute its strategic direction while managing its business operations for a period from May 1, 2021 to April 30, 2024, in which the parties upon mutual agreement may renew or extend. The monthly fee for the said agreement is ₱2.00 million, exclusive of value-added tax. For each new year starting from the first day of May of such year, the Service Fee shall be increased by five percent (5%) of the Service Fee of the immediately preceding year. For the six-month period ended December 31, 2022 and for the year ended June 30, 2022, the management fees recorded amounted to ₱12.8 million and ₱24.0 million, respectively.

#### *Interest and Amortization Expense*

Interest accretion of lease liability amounting to ₱9.3 million and amortization of ROU asset amounting to ₱5.4 million are recognized for the six-month period ended December 31, 2022. Of this amount, ₱4.7 million for interest accretion and ₱2.8 million for amortization are capitalized to Construction-in-Progress.

#### *Taxes and Licenses*

The Subsidiary paid its incorporation fees amounting to ₱2.0 million last August 2022. During the year, the Company also paid land related expenses such as real property taxes, CTC of titles, documentary stamp tax and tax clearance amounting to ₱3.9 million.

#### *Professional Fees*

Professional fees consist of audit fees, directors' fees, legal fees and appraisal services incurred by the Group. For the six-month period ended December 31, 2022 and for the year ended June 30, 2022, the Professional fees amounted to ₱6.4 million and ₱6.5 million, respectively.

#### *Advertising*

This account pertains to expenses related to the Company public announcements such as notice of stockholders' meeting and installation of billboards for the display of Company acquired properties. For the six-month period ended December 31, 2022 and for the year ended June 30, 2022, the advertising costs amounted to ₱0.8 million and nil, respectively.

#### *Others*

Other expenses pertain to expenses incurred on the facilities of the project site such as utilities, repairs and maintenance, office supplies, staff house rentals and other miscellaneous expenses needed for the daily operations of the Group. For the six-month period ended December 31, 2022 and for the year ended June 30, 2022, the other expenses amounted to ₱5.4 million and ₱2.2 million, respectively.

### *Benefit from Deferred Tax*

The Company's benefit from deferred tax came from recognition on right-of-use assets and lease liabilities as at December 31, 2022.

### *Net Loss*

As the Company continues the construction of the project, it recognized lower net loss for the six-month ended December 31, 2022 amounting to ₱40.4 million, a decrease of 33.29% from the net loss of ₱60.6 million recognized for the year ended June 30, 2022.

### Key Performance Indicators

Financial Ratios	Formula	December 2022	December 2021
Current Ratio	Dividing total current assets over total current liabilities	16.51	21.89
Debt-to-Equity Ratio	Dividing total liabilities over stockholders' equity	0.06	0.13

## **Item 7. Financial Statements**

Attached as **Annexes “A” and “B”** are the (i) Audited Consolidated Financial Statements as of December 31, 2024 and 2023 and for the year ended December 31, 2024 and (ii) Audited Parent Company Financial Statements as of December 31, 2024 and 2023 and for the year ended December 31, 2024. Both include notes on the financial statements.

## **Item 8. Changes In and Disagreements with Accountants on Accounting and Financial Disclosures**

SyCip Gorres Velayo & Co. (“**SGV**”) is a public accounting firm accredited by the SEC as a Group A auditing firm for public companies. Aside from the SEC, it is also accredited as an auditing firm by the Board of Accountancy, Bangko Sentral ng Pilipinas, Insurance Commission, and the Bureau of Internal Revenue. Globally, SGV is a member firm of Ernst & Young Global Limited.

SGV has acted as the Company's external auditor since its incorporation. There are no plans to change independent auditors for the succeeding years.

Pursuant to SRC Rule 68(3)(b)(iv), the appointment of a signing partner of an auditing firm shall not exceed seven (7) consecutive years. Ms. Leovina Mae V. Chu commenced as engagement partner of the Issuer in 2024. Hence, the engagement of SGV as the Issuer's external auditor complies with the requirement on rotation of external auditors under SRC Rule 68(3)(b)(iv).

The Audited Financial Statements of the Company were audited by SGV.

There are no changes in or disagreements with accountants on accounting policies and financial disclosure.

The Company has not had any material disagreements on accounting matters or financial disclosure matters with SGV.

There are no plans to replace SGV as external auditor for the succeeding years.

## PART III – CONTROL AND COMPENSATION INFORMATION

### Item 9. Directors and Executive Officers of the Issuer

As of date, the following are the eight (8) individuals comprising the Company’s Board of Directors:

Name	Position	Nationality	Age	Term of Office	Period Served
Manuel V. Pangilinan	Chairman	Filipino	78	< 2 years	2023 to present
Leandro Antonio L. Leviste	Vice Chairman	Filipino	32	< 9 years	2016 to present
Lance Y. Gokongwei	Director	Filipino	58	< 1 year	2024 to present
Emmanuel V. Rubio	Director and President/CEO	Filipino	60	< 1 year	2024 to present
Ryan Jerome T. Chua	Director	Filipino	38	< 1 year	2024 to present
Hazel Iris P. Lafuente	Director	Filipino	37	< 9 years	2016 to present
Benjamin I. Espiritu	Independent Director	Filipino	71	< 4 years	2021 to present
Lydia B. Echauz	Lead Independent Director	Filipino	77	< 1 year	2024 to present
Rochel Donato R. Gloria	Treasurer and Chief Financial Officer	Filipino	59	< 2 years	2023 to present
Dennis B. Jordan	Chief Operations Officer	Filipino	55	< 1 year	2024 to present
Minette O. Co	Head of Controllershship	Filipino	45	< 1 year	2025
Mary Ann D. Ballesteros	Chief Compliance Officer and Data Privacy Officer	Filipino	46	< 1 year	2025
Jo Marianni P. Ocampo-Jalbuena	Corporate Secretary	Filipino	40	< 1 year	2024 to present
Doris S. Te	Assistant Corporate Secretary	Filipino	44	< 1 year	2024 to present
Anthony Vergel B. Velasco	Chief Audit Executive	Filipino	49	< 1 year	2025

The profile and the business experience of the foregoing directors and key officers for the last five (5) years are indicated below:

a. Directors

***Manuel V. Pangilinan, 78, Filipino, Chairman***

Mr. Manuel V. Pangilinan currently sits as the Chairman and President of Metro Pacific Investments Corporation. He is the incumbent Chairman and Chief Executive Officer (CEO) of Manila Electric Company. Mr. Pangilinan is the CEO and Managing Director of First Pacific Company Limited. He also serves as the Chairman of PLDT Inc., Smart Communications, Inc., PLDT Communications and Energy Ventures Inc., Landco Pacific Corporation; Metro Pacific Hospital Holdings, Inc., Maynilad Water Services, Inc., Mediaquest, Inc., Associated Broadcasting Corporation (TV5), Makati Medical SP New Energy Corporation and Subsidiaries



Center, Cardinal Santos Medical Center, Our Lady of Lourdes Hospital, Philex Mining Corporation, PXP Energy Corporation, NLEX Corporation, Digital Telecommunications Phils. Inc., Digitel Mobile Philippines, Inc. and Meralco PowerGen Corporation. In 2012, he was appointed as Vice Chairman of Roxas Holdings Incorporated which owns and operates the largest sugar milling operations in the Philippines. Effective 1 January 2024, Mr. Pangilinan assumed the role of Chairman, President and CEO of PLDT Group. He is the incumbent Chairman of the Board of Trustees of San Beda College, Hongkong Bayanihan Trust, Philippine Disaster Resilience Foundation, Disaster Recovery Foundation, Inc. and Philippine Business for Social Progress. Mr. Pangilinan serves as Co-Chairman of the U.S.-Philippine Society. He also serves as the Vice Chairman of the Foundation for Crime Prevention. As a known patron of sports, he was named Chairman Emeritus of the Samahang Basketbol ng Pilipinas and Chairman of the Amateur Boxing Association of the Philippines. Mr. Pangilinan is also a Member of the Board of Overseers of The Wharton School of the University of Pennsylvania. Mr. Pangilinan earned his Bachelor of Arts in Economics Degree from Ateneo de Manila University where he graduated cum laude. He pursued his Master of Business Administration in the Wharton School of Finance and Commerce as a Procter & Gamble Fellow.

***Leandro Antonio L. Leviste, 32, Filipino, Vice Chairman***

Mr. Leandro Antonio L. Leviste founded Solar Philippines in 2013 with a mission to accelerate the development of solar energy in the Philippines. He has received numerous awards, including being ranked at the top of Forbes Magazine's inaugural "30 Under 30" List for Asia in 2016 and being named the Young Entrepreneur of the Year Philippines 2022 by Ernst & Young. His first solar project completed in 2014 was awarded the "2016 Sustainable Energy Finance Award" by The International Finance Corporation of the World Bank. His pioneering innovations won for the company the Asian Power Awards for Independent Power Producer of the Year and Solar Power Project of the Year in 2017. He led the Solar Philippines Nueva Ecija Corporation during its Initial Public Offering in 2021, becoming the youngest ever Chairman, President, and CEO of a Philippine-listed company.

He is the youngest ever member of the Management Association of the Philippines and Makati Business Club. He currently serves as Chairman, President, and CEO of the Solar Philippines Group.

***Lance Y. Gokongwei, 58, Filipino, Director***

Mr. Lance Y. Gokongwei is the Chairman of Universal Robina Corporation, Robinsons Land Corporation, Robinsons Retail Holdings, Inc., Cebu Air, Inc., JG Summit Olefins Corporation and Gokongwei Brothers Foundation, Inc. He also serves as a director and the President and Chief Executive Officer of JG Summit Holdings, Inc. and Robinsons Land Corporation.

He is a member of the Board of Directors of Manila Electric Company, Altus Property Ventures, Inc., Cebu Air, Inc., RL Commercial REIT, Inc., Shakey's Asia Pizza Ventures, Inc., Oriental Petroleum and Minerals Corporation, Singapore Land Group Limited, Endeavor Acquisition Corporation, JE Holdings, Inc., AB Capital and Investment Corporation, JG Digital Equity Ventures, Inc. and Data Analytic Ventures, Inc.

Mr. Gokongwei received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

***Emmanuel V. Rubio, 60, Filipino, Director and President and Chief Executive Officer***

Mr. Emmanuel V. Rubio serves as the President of SP New Energy Corporation (SPNEC). Concurrently, he serves as the President and CEO of Meralco PowerGen Corporation, a wholly owned subsidiary of Manila Electric Company (Meralco). He is a seasoned executive bringing in a wealth of experience and expertise having served as the President and CEO Aboitiz Power Corporation where he led the company's transformation towards sustainable energy sources by driving significant growth in

its renewable energy and balancing its power generation portfolio.

Mr. Rubio completed several advanced leadership and management programs from Columbia University, Nanyang Technological University – Singapore, and Singapore Management University – Singapore Institute of Directors. He holds a Master of Business Administration from De La Salle University Graduate School of Business. He graduated with a Bachelor of Science degree, majoring in Industrial Management Engineering and minor in Mechanical Engineering from De La Salle University - Manila.

***Ryan Jerome T. Chua, 38, Filipino, Director***

Mr. Ryan Jerome T. Chua has served as Vice President for Business Development for Metro Pacific Investments Corporation (MPIC) since November 2021. He has close to 20 years of end-to-end experience in direct investments, with broad-based experience across the Asia Pacific consumer, industrials, and infrastructure sectors. His experience also includes post-investment initiatives including post-merger integration, development plan and execution, and strategic planning.

Mr. Chua earned his Bachelor of Science in Management Engineering from Ateneo de Manila University where he graduated cum laude and obtained his MBA from INSEAD. He is also a CFA charterholder.

***Hazel Iris P. Lafuente, 37, Filipino, Director***

Ms. Lafuente leads the project development, execution, and operations teams of Solar Philippines. With a background in both the private and public sectors, Ms. Lafuente brings over 15 years of experience in project development, management, land acquisition, permitting, and regulatory compliance. Prior to joining Solar Philippines, she worked at the Philippine Senate as a legislative staff. Ms. Lafuente graduated from the University of the Philippines with a degree in Social Sciences (Area Studies) cum laude. She is also a Certified Project Manager and a lifetime Pi Gamma Mu International Honor Society in Social Sciences member.

***Benjamin I. Espiritu, 71, Filipino, Independent Director***

Dr. Espiritu is a Certified Public Accountant, President of Risks, Opportunities Assessment and Management (ROAM) Inc., Chairman of Banco de Mindoro, Inc., President of EC Ventures Corporation, and heads several other private corporations and two (2) family foundations. He is also an independent director of other publicly listed corporations, Central Azucarera de Tarlac, Dizon Copper-Silver Mines, Inc., NiHao Mineral Resources International, Inc., and of an insurance company, Intrastrata Assurance Corporation. He is also President of the Mindoro Chamber of Commerce and Industry, Inc. and Chairman of the Board of Advisers of the Philippine Marine Corps.

He served as a Provincial Governor of Oriental Mindoro and a Brigadier General AFP (Res) and former Commander of the 7<sup>th</sup> Marine Brigade for three consecutive years from 2013 to 2015 and Philippines Navy Reserve Unit of the Year for six consecutive years from 2012 to 2017.

In the academe, he was the former Chairman of the Board of Regents of Pamantasan ng Lungsod ng Maynila concurrent Chairman of the Board of Trustees of Ospital ng Maynila Medical Center, President of Don Bosco Technical College Mandaluyong, and Dean of Far Eastern University – Makati. He was also Chairman of the Accounting, Finance, Business and Governance Department of De La Salle University Graduate School of Business, Program Coordinator of the Doctor of Business Administration program, and Course Director of the Corporate Governance and Risk Management program. He earned his Doctor of Philosophy Major in Public Administration degree from the University of Santo Tomas, Master in National Security Administration from the National Defense College of the Philippines, Master of Business Administration from De La Salle University, Bachelor

of Science in Commerce, Major in Accounting from De La Salle University, and completed the Naval Command and General Staff Course at the Naval Command and Staff College.

***Lydia B. Echauz, 77, Filipino, Lead Independent Director***

Dr. Lydia B. Echauz serves as an independent director of publicly listed companies Meralco, D&L Industries, Inc., and Shell Pilipinas Corp.

She is also a director of FERN Realty Corporation; Riverside College, Inc.; and NBS Educational Services, Inc. and trustee of SM Foundation, Inc.; Akademyang Filipino Association, Inc.; Mano Amiga Academy, Inc. and Museo del Galeon Foundation, Inc. She is also the executive director of Henry Sy Foundation, Inc.

She was president of publicly listed Far Eastern University and of its three affiliate schools for 10 years and was dean of DLSU Graduate School of Business. She was a trustee of De La Salle College of St. Benilde, and Immaculate Conception Academy. She was also a director of Manila Tytana College, MCO Foundation, Inc., and executive director of the Association of Deans of Southeast Asian Graduate Schools of Management, and Philippine council president of the Association of Deans of Southeast Asian Institutes of Higher Learning. She also served as director of the Development Bank of the Philippines, DBP Brokerage Insurance, Inc., and DBP Data Center, Inc.; executive director of Jaime V. Ongpin Institute of Business and Government, and consultant to SM Prime Holdings, Inc. Dr. Echauz earned her Doctor of Business Administration from De La Salle University, MBA from Ateneo de Manila University, and AB Economics and Mathematics from St. Theresa's College.

b. Key Officers

***Rochel Donato R. Gloria, 59, Filipino, Treasurer and Chief Finance Officer***

Mr. Rochel Donato R. Gloria serves as Senior Vice President and the Chief Finance Officer (CFO) of MGreen. Prior to this, he was Senior Vice President, CFO and Chief Risk Officer of GBP. He is a seasoned executive bringing in 37 years of leadership experience in corporate finance, business development, and marketing from various industries, including energy, telecommunications, private equity, among others. Prior to joining GBP, he served as Vice President and Head of Business Development and Corporate Planning for First Philec, Inc. He also served as First Vice President and Head for Energy Trading and Sales for Aboitiz Power Corporation. Mr. Gloria holds a Master of Business Administration from the Ateneo de Manila University Graduate School of Business. He graduated with a Bachelor of Science, majoring in Industrial Management and minor in Mechanical Engineering from De La Salle University.

***Dennis B. Jordan, 55, Filipino, Chief Operations Officer***

Mr. Dennis B. Jordan serves as the President of Terra Solar Philippines, Inc., a wholly owned subsidiary of SPNEC. Mr. Jordan is a seasoned energy and infrastructure executive with over two decades of leadership experience in strategy, project management, and sales & marketing gained from Australia and the Philippines.

Prior to joining the Company, he was the President & CEO of GNPowder Mariveles Energy Center Ltd. Co. and President & COO of AP Renewables, Inc. Mr. Jordan also held key leadership roles in Hearing Australia, JG Summit Petrochemical Corporation, and the Linde Group through BOC South Pacific.

Mr. Jordan holds a Master of Business Administration from De La Salle University Graduate School of Business and earned his Bachelor of Arts in Philosophy Degree from the University of the Philippines - Diliman.

***Minette O. Co, 45, Filipino, Head of Controllershship***

Ms. Minette O. Co is an accomplished finance and accounting professional with over 20 years of experience in the power and FMCG industries. She has held key roles in both the Philippines and Singapore, gaining extensive expertise in management reporting, financial modeling and analysis, forecasting, general and cost accounting, and cash management. Additionally, she holds a certification in internal audit. Prior to joining the Company, she held key roles in finance and controllershship in Aboitiz Power Corporation.

Ms. Co graduated Magna Cum Laude from Ateneo de Manila University, earning a double degree in Bachelor of Science in Mathematics and Management Engineering.

***Mary Ann D. Ballesteros, 46, Filipino, Chief Compliance Officer and Data Privacy Officer***

Atty. Mary Ann D. Ballesteros heads the Compliance Division of Meralco PowerGen Corporation (MGen). In addition to her role, she serves as the Chief Legal Counsel of MGen. Her role is key in providing strategic directions for the Company. She is a seasoned and highly respected energy professional given her extensive experience in her profession and the industry. Prior to joining MGen, Atty. Ballesteros led the legal teams for Renewables in Prime Infrastructure Capital, Inc., Aboitiz Power Corporation, and AC Energy, Inc. In these various roles, she provided direction and oversight on compliance matters from pre-development to operation stages of power projects. These include assets which were funded by the Philippines Investment Alliance for Infrastructure (PINAI), and assets which received funding approval from the International Finance Corporation (IFC). She managed the legal team that successfully received the maiden endorsement for Feed-In-Tariff eligibility from the Department of Energy under the Renewable Energy Law of 2008. Atty. Ballesteros earned her Bachelor of Arts in Philosophy and Bachelor of Laws degrees from the University of the Philippines and began her career as a lawyer with De Borja Medialdea Bello Guevarra & Gerodias.

***Jo Marianni P. Ocampo-Jalbuena, 40, Filipino, Corporate Secretary***

Atty. Jo Marianni P. Ocampo-Jalbuena serves as a legal counsel of Meralco PowerGen Corporation and Global Business Power Corporation. She is a seasoned legal professional bringing in her expertise in legal advisory, due diligence, and transaction negotiation. She is highly adept in contract drafting and review, whether in the ordinary course of business or in relation to big-ticket projects covering mergers and acquisitions, and loans and financings, among others.

Prior to joining MGen in 2022, she was the head of Legal for MetroPac Movers, Inc., the logistics arm of Metro Pacific Investments Corporation. Atty. Ocampo-Jalbuena received her primary legal practice training from SyCip Salazar Hernandez & Gatmaitan.

Atty. Ocampo-Jalbuena completed her Juris Doctor degree from the Ateneo de Manila University. She completed her Bachelor of Science in Business Administration Degree at the University of the Philippines – Diliman.

***Doris S. Te, 44, Filipino, Assistant Corporate Secretary***

Atty. Doris S. Te serves as a legal counsel of Global Business Power Corporation (GBP). She has extensive experience in corporate governance and corporate housekeeping, having previously served as Assistant Corporate Secretary of Filinvest Land, Inc., Filinvest Development Corporation, United Coconut Planters Bank and Landbank Securities, Inc. She was also previously the Corporate Secretary of Philippine National Bank and various entities affiliated with Vena Energy Shared Services Pte. Ltd. ROHQ.

Atty. Te obtained her degree in Bachelor of Science in Management in 2001 and earned her Juris Doctor

in 2005 from Ateneo de Manila University.

***Anthony Vergel B. Velasco,<sup>6</sup> 49, Filipino, Chief Audit Executive***

Mr. Velasco is a highly experienced internal audit professional with over twenty-five (25) years experience in financial, operational, compliance, and information technology audits. He is a Certified Internal Auditor, Certified Information Systems Auditor, and Certified ISO-31000 Lead Risk Manager. He is skilled in implementing risk-based audit methodologies and frameworks such as COSO, COBIT, and ISPPIA. He is a former board member of IIA-Philippines and WiSAP.

Mr. Velasco holds a Masters in Business Administration degree in Financial Management from the National College for Business and Arts (NCBA).

**c. Significant Employees**

The Company considers the collective efforts of all its employees as instrumental to the overall success of its performance. There is no employee who is not an executive officer who is expected to make, on his/her own, a significant contribution to the business.

**d. Family Relationships**

There are no known family relationships up to the fourth (4<sup>th</sup>) civil degree either by consanguinity or affinity among the current members of the Board of Directors and key officers of the Company.

**Item 10. Executive Compensation**

The Company did not employ any personnel from 31 December 2017 to 30 April 2021. During this period, the Company's operations, business development, administrative, and finance functions were handled by its then parent corporation, SP Project Holdings. On 30 April 2021, the Company entered into a Management Service Agreement with SP Project Holdings to provide executive and leadership support and execute its strategic direction while managing its business operations from 1 May 2021 to 30 April 2024 for a monthly fee of ₱2,000,000.00 or ₱24,000,000.00 per year. The Management Service Agreement covered all necessary administrative and advisory services on management, investment, and technical matters involving the Company's operations, including but not limited to human resources, legal, finance, and information technology. The executive compensation of the Company's officers is part of the Management Service Agreement paid to SP Project Holdings for its executive and leadership support.

With the management transition brought about by the entry of MGreen, agreements are being put into place to cover the provision of management services in favor of the Company, taking into consideration, among others, executive compensation. Such approach will apply for both 2024 and 2025, subject to Related Party Transactions Committee endorsement and board approval.

Regular Directors do not receive per diem or monthly compensation. Below are the fees received by the Company's Independent Directors:

---

<sup>6</sup> Only elected on 11 April 2025.

	Year	Fees	Bonus	Other Compensation
<b>Aggregate directors' fee for Independent Directors</b>	Actual FY 30 June 2021	N.A.	N.A.	N.A.
	Actual FY 30 June 2022	₱1.8 million		
	Actual FY 31 December 2022 (6 months)	₱1.8 million		
	Actual FY 31 December 2023	₱3.6 million		
	Actual FY 31 December 2024	₱1.9 million <sup>7</sup>		

a. Employment Contracts and Other Arrangements

As of the date of this Information Statement, the Corporation has no existing arrangements with members of the Board of Directors, executive officers, and employees other than the Management Service Agreement. There are no special employment contracts between the Corporation and its executive officers. Further, there are no special retirement plans for executives. There is also no special compensation to be received from the Corporation.

b. Warrants and Options Outstanding

As of the date of this Information Statement, there are no outstanding warrants or options held by directors and officers nor are there any adjustments in the exercise price of said warrants or options.

**Item 11. Security Ownership of Certain Beneficial Owners and Management Security Ownership of Certain Record and Beneficial Owners**

As of 31 December 2024, the following persons or groups own more than five percent (5%) of the Company's voting securities:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Total Voting Shares
Common	MGEN Renewable Energy, Inc. ("MGreen")	Same as record owner	Filipino	17,873,912,999 <sup>8</sup>	53.66%
Voting Preferred "B"	The Rockwell Business Center, Tower 1, Ortigas Avenue, Barangay Ugong, Pasig City Parent Corporation			19,404,202,552	

<sup>7</sup> Booked and paid in 2025.

<sup>8</sup> Composed of 15,699,999,999 common shares that are directly held and registered in the name of MGreen and 2,173,913,000 common shares which are scripless and indirectly held or currently under the name of PCD Nominee Corporation (Filipino).

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Total Voting Shares
Common	Solar Philippines Power Project Holdings, Inc. (“ <b>SP Project Holdings</b> ”)  20 <sup>th</sup> Floor, AIA Tower (formerly PhilamLife Tower), 8767 Paseo de Roxas, Barangay Bel-Air, Makati City 1226, Philippines	Mr. Leandro Antonio L. Leviste owns 100% of SP Project Holdings’ outstanding capital stock	Filipino	18,993,622,998 <sup>9</sup>	27.34%
Common	PCD Nominee Corporation (Filipino)  29 <sup>th</sup> Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City, Philippines  Stockholder of record for shares lodged with the Philippine Depository and Trust Corporation, Inc. (“ <b>PDTC</b> ”)	PCD Nominee Corporation, a wholly owned subsidiary of the PDTC, is the registered owner of the shares in the books of the Company’s Stock Transfer Agent. The beneficial owner of such shares entitled to vote the same are PDTC’s participants who hold the shares either in their own behalf or on behalf of their clients.	Filipino	4,239,920,125 <sup>10</sup>	6.10%
Common	Asia Pacific Institute for Green Development Inc.  48 Dunwoody Street, University Hills, Malabon City	Same as record owner	Filipino	4,150,000,000	5.97%

The following table shows the ownership of the following directors and officers in the Company’s common shares as of 31 December 2024:

Title of Class	Name of Beneficial Owner	Citizen ship	Amount and Nature of Beneficial Ownership		Percent of Total Outstanding Shares
Common	Manuel V. Pangilinan	Filipino	1	Direct*	0%
			0	Indirect	
Common	Leandro Antonio L. Leviste	Filipino	1	Direct*	27.34%

<sup>9</sup> Composed of 18,643,050,000 common shares that are certificated and directly held or registered in the name of SP Project Holdings and 350,572,998 common shares which are scripless and indirectly held or currently under the name of PCD Nominee Corporation (Filipino).

<sup>10</sup> Excludes shares owned by SP Project Holdings and MGreen.

Title of Class	Name of Beneficial Owner	Citizen ship	Amount and Nature of Beneficial Ownership		Percent of Total Outstanding Shares
			18,993,622,998	Indirect**	
Common	Lance Y. Gokongwei	Filipino	0	Direct	0%
			1	Indirect	
Common	Emmanuel V. Rubio	Filipino	1	Direct***	0%
			2,000,000	Indirect	
Common	Hazel Iris P. Lafuente	Filipino	0	Direct	0%
			5,360,001	Indirect****	
Common	Ryan Jerome T. Chua	Filipino	0	Direct	0%
			1	Indirect***	
Common	Benjamin I. Espiritu	Filipino	1	Direct	0%
			0	Indirect	
Common	Lydia B. Echauz	Filipino	0	Direct	0%
			250,000	Indirect*****	
Common	Rochel Donato R. Gloria	Filipino	1	Direct*	0%
			0	Indirect	
N.A.	Dennis B. Jordan	Filipino	0	Direct	0%
			0	Indirect	
N.A.	Alicia G. Brion	Filipino	0	Direct	0%
			0	Indirect	
N.A.	Amanda Roselle A. Bengson	Filipino	1	Direct*	0%
			0	Indirect	
N.A.	Jo Marianni P. Ocampo-Jalbuena	Filipino	0	Direct	0%
			0	Indirect	
N.A.	Doris S. Te	Filipino	0	Direct	0%
			0	Indirect	
Total			19,001,233,007		27.34%

\*The single shares of Mr. Pangilinan, Mr. Leviste, Mr. Gloria, and Ms. Bengson are held in trust for SP Project Holdings.

\*\*Mr. Leviste holds 18,993,622,998 shares through SP Project Holdings.

\*\*\*The single shares of Mr. Rubio and Mr. Chua are held in trust for MGreen.

\*\*\*\*Ms. Lafuente's entire shareholding is currently lodged with the PDTC under PCD Nominee Corporation (Filipino), including the qualifying share she holds in trust for SP Project Holdings.

\*\*\*\*\*The shares of Ms. Echauz are currently lodged with the PDTC under PCD Nominee Corporation (Filipino).

The aggregate number of voting shares directly and indirectly owned by all officers and directors as a group as of 31 December 2024 is **19,001,233,007 or 27.34%** of the Company's total voting shares.

### Voting Trust

The Company is not aware of any person holding more than five percent (5%) of voting shares under a voting trust or similar agreement.

### Changes in Control

MGen Renewable Energy Inc. ("MGreen"), the renewable energy development arm of Meralco Powergen Corporation ("MGen"), announced on 12 October 2023 that it has agreed with the Company and its then parent, Solar Philippines Power Project Holdings, Inc. ("SP Project Holdings"), to invest ₱15.9 billion to subscribe to 15.7 billion common shares and 19.4 billion redeemable preferred voting shares in the Company. MGen is a wholly-owned subsidiary of the Manila Electric Company, the country's largest private sector electric distribution utility company. The transaction will support the



expansion of the Company's project portfolio, including the development of a planned 3,500 MW solar photovoltaic power plant and 4,500 MWh battery energy storage system in Bulacan and Nueva Ecija.

The 15.7 billion SPNEC common shares have a total subscription price of ₱15.7 billion and represent 31.35% of the issued and outstanding common shares of the Company. The 19.404202552 billion redeemable preferred voting shares have a total subscription price of ₱194.04202552 million and do not have the ability to earn economic returns or dividends.

Upon full payment of the subscription price, MGreen's nominees were elected as directors and officers of SPNEC. However, MGreen's shares and the corresponding share certificates were not issued until 19 January 2024, when the Corporation received from the Securities and Exchange Commission the approval of its application for increase in authorized capital stock.

Subsequently, on 26 January 2024, MGreen purchased an additional 2,173,913,000 common shares held by SP Project Holdings for a total consideration of ₱2,499,999,950.00. With this, MGreen's resulting ownership in SPNEC is now at 53.66%.

## **Item 12. Certain Relationships and Related Transactions**

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. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

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

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

The Group's related party transactions for the years ended December 31, 2024 and 2023 and the related outstanding balances as of December 31, 2024 and 2023 are found in **Annex "C"** hereof.

## **PART IV – CORPORATE GOVERNANCE**

### **Item 13a. Corporate Governance**

This portion of the Annual Report has been deleted pursuant to SEC M.C. No. 5, series of 2013.

In compliance with SEC M.C. No. 15, series of 2017, and PSE Circular No. 2017-0079 on the Integrated Annual Corporate Governance Report ("**i-ACGR**"), the Company's i-ACGR will be submitted separately using SEC Form i-ACGR. The Integrated Annual Corporate Governance Report replaces this section of the Annual Report and the previous SEC Form ACGR.

### **Item 13b. Sustainability Report**

A copy of the Company's Sustainability Report is attached hereto as **Annex "D."**

## PART V – EXHIBITS AND SCHEDULES

### Item 14. Exhibits and Reports on SEC Form 17-C

#### (a) Exhibits

See the Index and Supplementary Schedules of the Company's Audited Financial Statements for the year ended 31 December 2024, attached hereto as Annexes "A" and "B."

#### (b) Reports on SEC Form 17-C

Below is a list of the reports submitted on SEC Form 17-C during the last six (6)-month period covered by this Annual Report:

Date of Disclosure	Details of Disclosure
Jul 12, 2024	<p>Material Information/Transactions</p> <p>The Board of Directors of SPNEC, during its meeting held on July 11, 2024, approved the following, among others:</p> <ol style="list-style-type: none"><li>1. Resignation of Mr. Manuel V. Pangilinan as President and CEO of SPNEC and election of Mr. Emmanuel V. Rubio as Replacement;</li><li>2. Resignation of Mr. Rochel Donato R. Gloria as Director of SPNEC and election of Mr. Emmanuel V. Rubio as Replacement;</li><li>3. Resignation of Mr. Dominador M. Camu, Jr. as Chief Operations Officer and election of Mr. Dennis B. Jordan as Replacement;</li><li>4. Assignment of rights, title, and interest in the Terra Solar Project of SPNEC to Terra Solar Philippines, Inc. (TSPI);</li><li>5. Subscription to 1,051,850,000 TSPI shares to support TSPI's application for increase in Authorized Capital Stock.</li></ol>
Jul 12, 2024	<p>Change in Directors and/or Officers</p> <p>The Company's Board of Directors, in its regular meeting held on July 11, 2024, approved, among others, the following:</p> <ol style="list-style-type: none"><li>1. Resignation:  Mr. Manuel V. Pangilinan - President/CEO Mr. Rochel Donato R. Gloria – Director Mr. Dominador M. Camu, Jr. - Chief Operations Officer</li><li>2. Appointment:  Mr. Emmanuel V. Rubio - President/CEO and Director Mr. Dennis B. Jordan - Chief Operations Officer</li></ol>

Date of Disclosure	Details of Disclosure
Aug 01, 2024	<p>Clarification of News Report - SPNEC expects entry of foreign investors in Q4</p> <p>SPNEC clarifies and/or confirm the information in the news article including, but not limited to the Company's updates and timeline regarding its potential foreign investors by the fourth quarter of 2024 further to the clarification dated May 8, 2024.</p> <p>The Corporation is committed to finalize a deal with a Strategic Investor for Terra Solar Philippines, Inc. (TSPI) in 2024. While the deadline of binding offers is set in mid-August, the Board approval will likely be in September.</p>
Aug 13, 2024	<p>Material Information/Transactions</p> <p>The Board of Directors of SPNEC, at its 12 August 2024 meeting, discussed and approved the following matters:</p> <ol style="list-style-type: none"> <li>1. The submission to the PSE and the SEC of the Corporation's 2nd Quarter 2024 Financial Report.</li> <li>2. The indicative terms of TSPI and TNI project financing (with SPNEC, owning 100% equity in each entity, acting as sponsor), and the appointment of the lead and co-lead arrangers.</li> <li>3. The Corporation's exercise of the Put Option under the Option Agreement with SPPPHI.</li> <li>4. The ratification of the request for termination sent to DOE of its First Green Energy Auction Round (GEA-1) Notice of Award covering its Sta. Rosa project</li> </ol>
Aug 19, 2024	<p>Clarification of News Reports - Manuel Pangilinan reaches for the stars with massive solar project</p> <p>SPNEC confirms the statement attributed to its Chairman, Manuel V. Pangilinan regarding the potential purchase of additional shares in SPNEC but wish to clarify that this prospective purchase will go through the same rigorous review as with any other investment.</p>
Sep 05, 2024	<p>Clarification of News Reports - Meralco invests P7.5 billion more to gain control of SPNEC</p> <p>The Corporation clarifies that MGen Renewable Energy, Inc. (MGreen) entered into an Exchangeable Note Facility and Security Agreement with Solar Philippines Power Project Holdings, Inc. (SPPPHI). Under this Agreement, MGreen extended a one-year loan of Php6.7 billion exchangeable into 5.8 Billion SPNEC shares at maturity.</p> <p>The Corporation does not expect this transaction to have a material impact on its business and operations.</p>
Sep 05, 2024	<p>Additional Information about the Exchangeable Note Facility and Security Agreement between MGen Renewable Energy, Inc. ("MGreen") and Solar Philippines Power Project Holdings, Inc. ("SPPPHI")</p>
Sep 06, 2024	<p>Additional Information about the Exchangeable Note Facility and Security Agreement between MGen Renewable Energy, Inc. ("MGreen") and Solar Philippines Power Project Holdings, Inc. ("SPPPHI")</p>

Date of Disclosure	Details of Disclosure
Sep 09, 2024	<p>Results of the 6 September 2024 Special Board Meeting of the Board of Directors</p> <p>SP New Energy Corporation (“SPNEC”) agreed to enter into a strategic partnership with Actis Rubyred (Singapore) Pte. Ltd. (“Actis”) for the latter’s 40% equity stake in Terra Solar Philippines, Inc. (“Terra Solar”). Terra Solar is a wholly owned subsidiary of SPNEC.</p> <p>Upon closing of the transaction and securing the necessary regulatory approvals, Terra Solar will issue shares equivalent to the 40% equity stake of Actis for a total consideration of US\$600 Million.</p>
Sep 09, 2024	Press Release: Meralco PowerGen and SPNEC Announce a Strategic Partnership; Actis to Invest in a 40% Equity Stake in Terra Solar
Sep 09, 2024	Material Information/Transactions (Amendment)
Sep 10, 2024	Additional Information about the news article entitled “Terra Solar 80-90% finished by end-Sept” posted in The Manila Times (Online Edition) on September 9, 2024
Sep 11, 2024	<p>Clarification of News Reports - SPNEC eyes other sites for solar project</p> <p>The Company hereby provides the following additional information as requested by the Exchange:</p> <ol style="list-style-type: none"> <li>1. SPNEC’s receipt of a response from the DOE on its termination request, including any relevant information regarding the same; In a letter dated 21 August 2024, the Department of Energy (DOE) denied the request of the Company to terminate and be released from its obligations under the Green Energy Auction Program (“GEAP”).</li> <li>The DOE took the position that the difficulty in exporting power from the proposed facility was a risk assumed by the Company, and therefore no force majeure can be claimed.</li> <li>2. The relocation of SPNEC’s 280-megawatt solar power project The Company is currently studying possible options to address the impact of the non-delivery of the GEAP-offered capacity, including finding replacement capacity in a different location.</li> <li>3. The effect of the relocation on the Company’s business and operations We do not foresee any effect on the business or operations of the Company should it find alternative sources for the capacity under the GEAP.</li> </ol>
Sep 17, 2024	<p>Clarification of News Reports - Actis invests in ‘world’s largest’ solar and storage project in Philippines</p> <p>In a press release dated September 9, 2024, SP New Energy Corporation (the “Company”) announced a strategic partnership with Actis Rubyred (Singapore) Pte. Ltd. (“Actis”). Further to this release, and in response to the Exchange’s request for clarification, the Company hereby confirms the partnership with Actis, and further clarifies that the Company has entered into a shareholders’ agreement with Actis last September 6, 2024 in relation to the latter’s intended 40% equity stake in Terra Solar Philippines, Inc. (“TSPI”). However, Actis’ infusion of investment, and TSPI’s issuance of shares comprising the 40% interest, are still subject to conditions, including obtaining certain regulatory approvals.</p>

Date of Disclosure	Details of Disclosure
Sep 27, 2024	<p>Clarification of News Reports - Miescor, Terra Solar ink infrastructure deal</p> <p>The Company provides the following information as requested by the Exchange:</p> <ol style="list-style-type: none"> <li>1. The total contract price is at PhP 7.8 billion, plus US\$ 116.9 million for offshore equipment</li> <li>2. While the Company expects the transaction to positively impact the timely completion of the Terra Solar project, the transaction is not expected to have significant material impact on the general business and operations of SPNEC.</li> </ol>
Oct 10, 2024	<p>Material Information/Transactions</p> <p>The Board of Directors of SPNEC, at its October 9, 2024 meeting, discussed and approved the following matters:</p> <ol style="list-style-type: none"> <li>1. Subscription to Terra Solar Philippines, Inc. (TSPI) shares in the amount of PhP6,033,750,000.00 and assignment of receivables as partial payment of the subscription;</li> <li>2. Additional subscription to Terra Nueva, Inc. (TNI) shares in the amount of PhP2,902,000,000.00.</li> </ol> <p>In addition, the Board of Directors were informed that for the Terra Solar 3,500 MWp and 4,500 MWh BESS project, the project site will be owned by TNI, and TSPI and TNI will enter into a lease agreement covering the same.</p>
Oct 10, 2024	Material Information/Transactions (Amendment)
Oct 24, 2024	Additional Information about the disclosures of SP New Energy Corporation (“SPNEC” or the “Company”) relative to the Sta. Rosa Nueva Ecija 2 Solar Power Project (“NE 2 Project”), a two-phase 500 MWp solar power plant in Nueva Ecija.
Nov 15, 2024	<p>Notice of Special Stockholders’ Meeting of SP New Energy Corporation</p> <p>The Board of Directors approved the holding of a Special Stockholders’ Meeting of SPNEC on January 23, 2025. Time, format, and venue will be announced on a later date. The record date for the determination of stockholders entitled to notice and vote at the meeting is set on January 3, 2025.</p>
Nov 15, 2024	<p>Results of the 14 November 2024 Meeting of the Board of Directors</p> <p>The Board of Directors of SP New Energy Corporation (the “Corporation”), at its 14 November 2024 meeting, discussed and approved the following matters:</p> <ol style="list-style-type: none"> <li>1. Proposed Termination of Solar Philippines Tarlac Corporation’s 50MWac PSA with Meralco;</li> <li>2. SPNEC’s Third Quarter 2024 Unaudited Financial Statements;</li> <li>3. Pledge of SPNEC shares in Terra Solar Philippines, Inc. and Terra Nueva Inc. - Project Financing; and</li> <li>4. Setting the date of a Special Stockholders’ Meeting on January 23, 2025 with Record Date of January 3, 2025. Time, format, and venue will be announced on a later date.</li> </ol>

<b>Date of Disclosure</b>	<b>Details of Disclosure</b>
Nov 19, 2024	Press Release: Terra Solar Awards EPC Contract to Energy China for World's Largest Solar Power Plant
Nov 21, 2024	Press Release: MTerra Solar Project Breaks Ground: A Monumental Milestone in the Philippines' Renewable Energy Transition
Dec 02, 2024	Press Release: MGen unit seals EPC contract with Power China for East-side Development of MTerra Solar Project
Dec 06, 2024	Press Release: MGen Unit Joins Forces with Tech Giant Huawei to Power Flagship Terra Solar Project
Dec 10, 2024	Notice of Special Stockholders' Meeting of SP New Energy Corporation (Amendment)


## SIGNATURES

Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code, this Annual Report is signed on behalf of the Company by the undersigned, thereunto duly authorized, in Pasig City on 29 April 2025.

### SP NEW ENERGY CORPORATION

By:

  
**EMMANUEL V. RUBIO**  
President and Chief Executive Officer

  
**DENNIS B. JORDAN**  
Chief Operating Officer

  
**ROCHEL DONATO R. GLORIA**  
Treasurer and Chief Financial Officer

  
**MINETTE O. CO**  
Controller

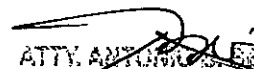
  
**JO MARIANNI P. OCAMPO-JALBUENA**  
Corporate Secretary

**SUBSCRIBED AND SWORN TO** before me this 29<sup>th</sup> day of April 2025, affiants appeared and exhibited to me their respective competent evidence of identity bearing their photograph and signature, as follows:

Name	Competent Evidence of Identity	Place Issued	Expiry Date
Emmanuel V. Rubio	TIN No. 108-037-019	BIR	N.A.
Dennis B. Jordan	TIN No. 115-520-590	BIR	N.A.
Rochel Donato R. Gloria	TIN No. 109-289-155	BIR	N.A.
Minette O. Co	TIN No. 207-201-282	BIR	N.A.
Jo Marianni P. Ocampo-Jalbuena	TIN No. 239-982-200	BIR	N.A.

Doc. No. 223  
Page No. 46  
Book No. 3  
Series of 2025.

SP New Energy Corporation and Subsidiaries  
2024 Annual Report (SEC Form 17-A)

  
**ATTY. ANTONIO M. BETITO**  
Notary for Pasig City  
Commission No. 186 (2025 – 2026)  
109 Mega Plaza, ADB Ave., Pasig City  
Attorney's Roll No. 27614  
IBP No. 623536/1/05/25/Rizal  
PTR No. 2092230/1/03/25/Pasig City  
MCLE Compliance No. VII-0008638 April 24, 2025

**ANNEX “A”**

**Consolidated Audited Financial Statements  
as of and for the year ended 31 December 2024**

[Attached]



## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **SP New Energy Corporation and Subsidiaries** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2024**, 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 & 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.

### SP NEW ENERGY CORPORATION AND SUBSIDIARIES

  
**MR. MANNY V. PANGILINAN**

Chairman

  
**MR. EMMANUEL V. RUBIO**

President

  
**MR. ROCHEL R. GLORIA**

Treasurer and Chief Finance Officer

Signed this 11<sup>th</sup> day of April 2025

**APR 11 2025**

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2025, affiants exhibiting to me their passport IDs, as follows:

<b>Name</b>	<b>Passport</b>	<b>Validity period</b>
Manuel V. Pangilinan	P9969361A	Valid until 17 Dec 2028
Emmanuel V. Rubio	P3162364B	Valid until 12 Sep 2029
Rochel Donato R. Gloria	P3844177B	Valid until 13 Nov 2029

Doc. No. 50  
Page No. 11  
Book No. 3  
Series of 2025.

**ATY. ANTONIO L. BETITO**  
Notary for Pasig City  
Commission No. 188 (2025 - 2026)  
709 Mega Plaza, ADG Ave., Pasig City  
Attorney's Roll No. 27614  
ISF No. 48586/1/05/25/Rizal  
PTR No. 2669236/1/03/25/Pasig City  
MCLE Compliance No. VII-0088638 April 24, 2025

# COVER SHEET

for

## AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	6	2	7	3	0	0
---	---	---	---	---	---	---	---	---	---	---

### COMPANY NAME

S	P		N	E	W		E	N	E	R	G	Y		C	O	R	P	O	R	A	T	I	O	N		A	N	D	
S	U	B	S	I	D	I	A	R	I	E	S																		

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

R	O	C	K	W	E	L	L		B	U	S	I	N	E	S	S		C	E	N	T	E	R	,		O	R	T	I
G	A	S		A	V	E	N	U	E	,		B	R	G	Y	.		U	G	O	N	G	,		1	6	0	4	
P	A	S	I	G		C	I	T	Y	,		P	H	I	L	I	P	P	I	N	E	S							

Form Type

A	C	F	S
---	---	---	---

Department requiring the report

C	G	F	D
---	---	---	---

Secondary License Type, If Applicable

Certificate of Permit to  
Offer Securities for Sale

### COMPANY INFORMATION

Company's Email Address

spnec@solarphilippines.ph

Company's Telephone Number

(02) 8817-2585

Mobile Number

(+63) 998 888 9326

No. of Stockholders

29

Annual Meeting (Month / Day)

First Monday of May

Fiscal Year (Month / Day)

12/31

### CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Rochel R. Gloria

Email Address

CorpSec@mgreen.ph

Telephone Number/s

(02) 8817-2585

Mobile Number

(+63) 917 881 6684

### CONTACT PERSON'S ADDRESS

Rockwell Business Center Ortigas Ave., Ugong, 1604 City of Pasig, Second District, National  
Capital Region (NCR)

**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 NotiSce of Deficiencies shall not excuse the corporation from liability for its deficiencies.



## INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders  
SP New Energy Corporation  
Rockwell Business Center  
Ortigas Avenue, Brgy. Ugong  
Pasig City 1604, Philippines

### Opinion

We have audited the consolidated financial statements of SP New Energy Corporation, a subsidiary of MGen Renewable Energy, Inc., and its Subsidiaries (collectively referred to as “the Group”), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2024 and 2023 and for the six-month period ended December 31, 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 December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2024 and 2023 and for the six-month period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

### 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 the 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 matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### ***Recoverability of Deposits for Land Acquisition***

As of December 31, 2024, the Group has deposits for land acquisition with a carrying value of ₱2,955.5 million for the acquisition of parcels of land. Under PAS 36, *Impairment of Assets*, an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. Management's assessment of impairment considers several factors, including land acquisition process and the related requirements, the current status of land acquisition, the timeline of activities and factors that may affect the timing of completion of the transaction. We considered this as a key audit matter because of the materiality of the amount involved, and the significant management judgment required in assessing whether there is any indication of impairment.

The related disclosures on the Group's deposits for land acquisition are included in Notes 3 and 9 to the consolidated financial statements.

### **Audit Response**

We obtained management's assessment on whether there is any indication that the deposits for land acquisition may be impaired. We read the contracts entered into by the Group and obtained an understanding of the significant provisions relevant to the assessment, such as the subject properties, payment terms, and rights and obligations of the contracting parties. In addition, we obtained supporting documents on the payments made by the Group, and inquired of the land acquisition process and the related requirements, the current status of land acquisition, the timeline of activities and factors that may affect the timing of completion of the transaction, and evaluated how management considered these information in their impairment assessment.

### **Other Information**

Management is responsible for the other information. The other information comprises the SEC Form 17-A for the year ended December 31, 2024 but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2024, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and 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.



If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 PFRS Accounting Standards, 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 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*

Leovina Mae V. Chu

Partner

CPA Certificate No. 99910

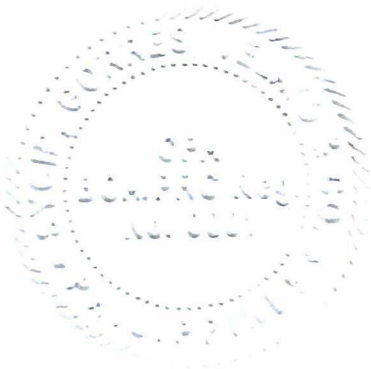
Tax Identification No. 209-316-911

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. 10465284, January 2, 2025, Makati City

April 11, 2025





**SP NEW ENERGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 4 and 21)	<b>₱5,539,532,868</b>	₱10,040,424,627
Trade and other receivables (Notes 5 and 21)	<b>290,041,454</b>	286,288,062
Subscriptions receivable (Note 14 and 21)	<b>1,319,056</b>	1,319,056
Inventories (Note 6)	<b>—</b>	24,800,913
Due from related parties (Notes 13 and 21)	<b>147,156,423</b>	126,920,310
Other current assets (Notes 7 and 21)	<b>664,373,800</b>	744,366,136
<b>Total Current Assets</b>	<b>6,642,423,601</b>	11,224,119,104
<b>Noncurrent Assets</b>		
Property, plant and equipment (Note 8)		
At cost	<b>18,392,981,434</b>	10,136,123,220
At revalued amount	<b>49,362,804,400</b>	12,467,340,000
Deposits for land acquisition (Note 9)	<b>2,955,531,170</b>	3,396,776,396
Intangible assets (Note 20)	<b>13,261,891,642</b>	13,261,891,642
Goodwill (Note 20)	<b>9,954,384</b>	9,954,384
Deferred income tax assets - net (Note 17)	<b>9,291,007</b>	9,646,601
Other noncurrent assets (Notes 10 and 21)	<b>732,280,143</b>	676,962,959
<b>Total Noncurrent Assets</b>	<b>84,724,734,180</b>	39,958,695,202
<b>TOTAL ASSETS</b>	<b>₱91,367,157,781</b>	₱51,182,814,306
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables (Notes 11 and 21)	<b>₱2,178,079,045</b>	₱460,918,733
Short-term loans (Note 12)	<b>7,200,000,000</b>	—
Due to related parties (Notes 13 and 21)	<b>386,861,905</b>	608,442,826
Current portions of:		
Long-term debts (Notes 12 and 21)	<b>235,889,777</b>	366,847,748
Lease liabilities (Notes 18 and 21)	<b>25,399,496</b>	8,962,861
Income tax payable	<b>15,892,032</b>	21,707,307
<b>Total Current Liabilities</b>	<b>10,042,122,255</b>	1,466,879,475
<b>Noncurrent Liabilities</b>		
Noncurrent portions of:		
Long-term debts (Notes 12 and 21)	<b>2,493,789,567</b>	2,729,695,924
Lease liabilities (Notes 18 and 21)	<b>365,048,472</b>	381,109,300
Deferred income tax liabilities (Notes 17)	<b>12,347,590,016</b>	4,086,521,200
Other noncurrent liabilities (Note 27)	<b>97,824,505</b>	98,633,404
<b>Total Noncurrent Liabilities</b>	<b>15,304,252,560</b>	7,295,959,828
<b>TOTAL LIABILITIES</b>	<b>25,346,374,815</b>	8,762,839,303

(Forward)



	December 31	
	2024	2023
<b>Equity Attributable to Equity Holders of the Parent Company</b>		
Common stock (Note 14)	<b>₱5,007,305,000</b>	₱3,437,305,000
Preferred stock (Note 14)	<b>194,042,026</b>	—
Additional paid-in capital	<b>19,794,017,013</b>	5,713,764,409
Deposit for future stock subscription (Note 14)	—	15,894,042,026
Equity reserve (Note 21)	<b>688,902,762</b>	525,755,142
Revaluation surplus - net (Notes 8 and 21)	<b>33,051,297,709</b>	8,268,091,263
Retained earnings	<b>3,942,292,359</b>	5,546,151,067
	<b>62,677,856,869</b>	39,385,108,907
<b>Non-controlling Interests</b>	<b>3,342,926,097</b>	3,034,866,096
<b>Total Equity</b>	<b>66,020,782,966</b>	42,419,975,003
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱91,367,157,781</b>	₱51,182,814,306

*See accompanying Notes to Consolidated Financial Statements.*



**SP NEW ENERGY CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF INCOME****FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 AND FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2022**

	2024	2023	2022 (Six Months, Note 2)
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b> (Notes 3 and 27)	<b>₱1,200,134,185</b>	<b>₱635,451,217</b>	<b>₱–</b>
<b>COSTS OF SALES AND SERVICES</b> (Note 15)	<b>(563,911,783)</b>	<b>(327,103,277)</b>	<b>–</b>
<b>GROSS PROFIT</b>	<b>636,222,402</b>	<b>308,347,940</b>	<b>–</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b> (Note 16)	<b>(1,734,976,491)</b>	<b>(207,914,077)</b>	<b>(38,010,960)</b>
<b>FINANCE COSTS</b> (Notes 12 and 18)	<b>(282,199,197)</b>	<b>(167,232,021)</b>	<b>(4,532,695)</b>
<b>INTEREST INCOME - net</b> (Note 4 and 7)	<b>343,559,643</b>	<b>29,993,447</b>	<b>2,398,960</b>
<b>OTHER INCOME (CHARGES) - net</b> (Notes 8, 13 and 19)	<b>(56,123,910)</b>	<b>6,008,335,292</b>	<b>–</b>
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>(1,093,517,553)</b>	<b>5,971,530,581</b>	<b>(40,144,695)</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b> (Note 17)			
Current	73,285,561	24,680,990	–
Deferred	355,594	(731,160)	265,138
	<b>73,641,155</b>	<b>23,949,830</b>	<b>265,138</b>
<b>NET INCOME (LOSS)</b>	<b>(₱1,167,158,708)</b>	<b>₱5,947,580,751</b>	<b>(₱40,409,833)</b>
<b>Net income (loss) attributable to:</b>			
Equity holders of the Parent Company	<b>(₱1,603,858,708)</b>	<b>₱5,706,730,751</b>	<b>(₱40,409,833)</b>
Non-controlling interests	<b>436,700,000</b>	<b>240,850,000</b>	<b>–</b>
	<b>(₱1,167,158,708)</b>	<b>₱5,947,580,751</b>	<b>(₱40,409,833)</b>
<b>Basic/Diluted Earnings (Loss) Per Share</b> (Note 22)	<b>(₱0.0320)</b>	<b>₱0.2356</b>	<b>(₱0.0043)</b>

*See accompanying Notes to Consolidated Financial Statements.*

**SP NEW ENERGY CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 AND FOR THE SIX-MONTH  
PERIOD ENDED DECEMBER 31, 2022**

	December 31		
	2024	2023	2022 (Six Months, Note 2)
<b>NET INCOME (LOSS)</b>	<b>(P1,167,158,708)</b>	<b>P5,947,580,751</b>	<b>(P40,409,833)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Revaluation increment on land (net of tax effect amounting to P8,261.1 million and P2,013.9 million in 2024 and 2023, respectively) (Note 8)	24,783,206,446	6,041,693,185	—
Remeasurement loss on retirement benefits (net of tax effect amounting to P0.1 million in 2023)	—	(298,828)	—
	24,783,206,446	6,041,394,357	—
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>23,616,047,738</b>	<b>11,988,975,108</b>	<b>(40,409,833)</b>
<b>Total comprehensive income (loss) attributable to:</b>			
Equity holders of the Parent Company	23,179,347,738	11,748,125,108	(40,409,833)
Non-controlling interests	436,700,000	240,850,000	—
	<b>P23,616,047,738</b>	<b>P11,988,975,108</b>	<b>(P40,409,833)</b>

*See accompanying Notes to Consolidated Financial Statements.*



# SP NEW ENERGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 AND FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2022

	Equity Attributable to Equity Holders of the Parent Company									Non-controlling Interests	Total
	Common Stock (Note 14)	Preferred Stock (Note 14)	Additional Paid-in Capital (Note 14)	Deposit for Future Stock Subscription (Note 14)	Equity Reserve	Revaluation Surplus (Note 8)	Retained Earnings (Deficit)				
Balances at January 1, 2024	₱3,437,305,000	₱–	₱5,713,764,409	₱15,894,042,026	₱525,755,142	₱8,268,091,263	₱5,546,151,067	₱39,385,108,907	₱3,034,866,096	₱42,419,975,003	
Issuance of shares (Note 14)	1,570,000,000	194,042,026	14,130,000,000	(15,894,042,026)	–	–	–	–	–	–	–
Stock issuance cost (Note 14)	–	–	(49,747,396)	–	–	–	–	(49,747,396)	–	(49,747,396)	–
	1,570,000,000	194,042,026	14,080,252,604	(15,894,042,026)	–	–	–	(49,747,396)	–	(49,747,396)	–
Net loss for the year	–	–	–	–	–	–	(1,603,858,708)	(1,603,858,708)	436,700,000	(1,167,158,708)	–
Other comprehensive income (loss)	–	–	–	–	–	24,783,206,446	–	24,783,206,446	–	24,783,206,446	–
Effect of deconsolidation (Note 20)	–	–	–	–	163,147,620	–	–	163,147,620	(128,639,999)	34,507,621	–
Total comprehensive income (loss)	–	–	–	–	163,147,620	24,783,206,446	(1,603,858,708)	23,342,495,358	308,060,001	23,650,555,359	–
<b>Balances at December 31, 2024</b>	<b>₱5,007,305,000</b>	<b>₱194,042,026</b>	<b>₱19,794,017,013</b>	<b>₱–</b>	<b>₱688,902,762</b>	<b>₱33,051,297,709</b>	<b>₱3,942,292,359</b>	<b>₱62,677,856,869</b>	<b>₱3,342,926,097</b>	<b>₱66,020,782,966</b>	
Balances at January 1, 2023	₱1,000,000,000	₱–	₱4,938,722,430	₱–	₱–	₱–	(₱126,125,941)	₱5,812,596,489	₱–	₱5,812,596,489	
Issuance of shares (Note 14)	2,437,305,000	–	–	–	–	–	–	2,437,305,000	–	2,437,305,000	–
Stock issuance cost (Note 14)	–	–	–	–	–	–	(34,891,365)	(34,891,365)	–	(34,891,365)	–
Equity infusion (Note 14)	–	–	775,041,979	–	–	–	–	775,041,979	–	775,041,979	–
Deposit for future stock subscription (Note 14)	–	–	–	15,894,042,026	–	–	–	15,894,042,026	–	15,894,042,026	–
Effect of business combination under common control (Note 19)	–	–	–	–	525,755,142	2,226,398,078	736,450	2,752,889,670	2,794,016,096	5,546,905,766	–
	2,437,305,000	–	775,041,979	15,894,042,026	525,755,142	2,226,398,078	(34,154,915)	21,824,387,310	2,794,016,096	24,618,403,406	–
Net income for the year	–	–	–	–	–	–	5,706,730,751	5,706,730,751	240,850,000	5,947,580,751	–
Other comprehensive income (loss)	–	–	–	–	–	6,041,693,185	(298,828)	6,041,394,357	–	6,041,394,357	–
Total comprehensive income	–	–	–	–	–	6,041,693,185	5,706,431,923	11,748,125,108	240,850,000	11,988,975,108	–
Balances at December 31, 2023	₱3,437,305,000	₱–	₱5,713,764,409	₱15,894,042,026	₱525,755,142	₱8,268,091,263	₱5,546,151,067	₱39,385,108,907	₱3,034,866,096	₱42,419,975,003	
Balances at July 1, 2022	₱812,435,001	₱–	₱2,347,338,021	₱–	₱–	₱–	(₱85,716,108)	₱3,074,056,914	₱–	₱3,074,056,914	
Issuance of shares (Note 14)	187,564,999	–	2,625,909,994	–	–	–	–	2,813,474,993	–	2,813,474,993	–
Stock issuance cost (Note 14)	–	–	(34,525,585)	–	–	–	–	(34,525,585)	–	(34,525,585)	–
	187,564,999	–	2,591,384,409	–	–	–	–	2,778,949,408	–	2,778,949,408	–
Total comprehensive loss (Note 24)	–	–	–	–	–	–	(40,409,833)	(40,409,833)	–	(40,409,833)	–
<b>Balances at December 31, 2022</b>	<b>₱1,000,000,000</b>	<b>₱–</b>	<b>₱4,938,722,430</b>	<b>₱–</b>	<b>₱–</b>	<b>₱–</b>	<b>(₱126,125,941)</b>	<b>₱5,812,596,489</b>	<b>₱–</b>	<b>₱5,812,596,489</b>	

See accompanying Notes to Consolidated Financial Statements.



# SP NEW ENERGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 AND FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2022

	December 31		
	2024	2023	2022 (Six Months, Note 2)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income (Loss) before income tax	(P1,093,517,553)	P5,971,530,581	(P40,144,695)
Adjustments for:			
Depreciation and amortization (Notes 8, 15 and 16)	379,736,670	216,232,722	2,584,193
Interest income (Note 4)	(343,559,643)	(29,993,447)	(2,398,960)
Finance costs (Notes 12 and 18)	282,199,197	167,232,021	4,532,695
Loss on deconsolidation (Note 20)	95,896,920	—	—
Reversal of impairment (Notes 5 and 16)	(5,525,078)	—	—
Unrealized foreign exchange loss (gain)	494,753	234,726	(545,388)
Retirement benefit expense	76,851	383,870	—
Gain on sale of solar power plant (Note 8)	—	(17,834,545)	—
Gain on remeasurement of previously existing equity interest in Terra Solar (Note 20)	—	(5,964,035,242)	—
Gain on assignment of investment and deposit (Note 27)	—	(25,960,000)	—
Provision for impairment loss (Notes 5,7 and 16)	—	756,172	—
Operating income (loss) before working capital changes	(684,197,883)	318,546,858	(35,972,155)
Decrease (increase) in:			
Trade receivables (Notes 5, 20 and 25)	(153,440,436)	126,788,719	—
Inventories (Notes 6 and 20)	1,041,470	(745,862)	—
Other current assets (Notes 7 and 20)	53,953,141	(22,654,765)	2,150,545
Increase (decrease) in trade and other payables (Notes 11 and 25)	2,021,736,617	(358,754,383)	52,217,812
Net cash flows from (used in) operations	1,239,092,909	63,180,567	18,396,202
Interest received	343,559,643	29,993,447	2,398,960
Income tax paid	(79,101,385)	—	—
Net cash flows from operating activities	1,503,551,167	93,174,014	20,795,162
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to:			
Property, plant and equipment (Notes 8 and 25)			
At cost	(8,870,216,144)	(677,884,677)	(460,794,829)
At revalued amount	(226,674,184)	(26,892,762)	—
Deposits for land acquisition (Note 9)	(3,183,269,728)	(723,096,532)	(1,405,392,463)
Investment properties (Note 8)	—	—	(312,626,010)

(Forward)



<b>December 31</b>			2022
	2024	2023	(Six Months, Note 2)
Decrease (increase) in:			
Due from related parties (Notes 13 and 20)	(₱82,835,017)	₱960,420,010	(₱279,710,439)
Other noncurrent assets (Notes 10 and 20)	(144,733,908)	107,779,964	(540,176,775)
Net cash inflow from transfer of ownership of investees (Note 20)	70,144,364	—	—
Acquisition of Solar Philippines Assets, net of cash acquired (Note 21 and 22)	—	(8,987,411,875)	—
Proceeds from disposal of property, plant and equipment	—	33,928,571	—
Net cash flows used in investing activities	(12,437,584,617)	(9,313,157,301)	(2,998,700,516)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from short-term loans	7,200,000,000	—	—
Payments of:			
Long-term debt (Note 12)	(372,883,029)	(166,261,855)	—
Interest	(216,311,429)	(136,800,476)	—
Lease liabilities (Note 18)	(26,834,544)	(18,526,229)	—
Deferred stock issuance cost	(18,137,305)	—	—
Stock issuance cost (Note 15)	(17,640,421)	—	—
Dividends	—	(61,570,424)	—
Increase (decrease) in:			
Other noncurrent liabilities (Notes 19 and 27)	338,120	—	—
Due to related parties (Notes 13 and 21)	(114,894,947)	(114,724,705)	—
Deposit for future stock subscription	—	15,894,042,026	—
Proceeds from issuance of shares, net of stock issuance cost	—	2,402,413,635	2,127,833,748
Equity infusion	—	775,041,979	—
Collection of subscription receivable	—	649,796,605	—
Net cash flows from financing activities	6,433,636,445	19,223,410,556	2,127,833,748
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	(494,754)	(234,726)	545,388
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(4,500,891,759)	10,003,192,543	(849,526,218)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	10,040,424,627	37,232,084	886,758,302
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Notes 3 and 16)</b>	₱5,539,532,868	₱10,040,424,627	₱37,232,084

See accompanying Notes to Consolidated Financial Statements.



# **SP NEW ENERGY CORPORATION AND SUBSIDIARIES**

---

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

---

### **1. Corporate Information**

#### **(a) Organization**

SP New Energy Corporation (the “Parent Company” or “SPNEC”) was incorporated and registered with the Philippine Securities and Exchange Commission (“SEC”) on November 23, 2016, primarily to engage in the construction, operation and maintenance of all types of renewable energy plants and related services.

The common shares of the Parent Company are listed on the Philippine Stock Exchange (“PSE”) beginning December 17, 2021 and traded under the ticker, “SPNEC”.

On November 30, 2023, MGen Renewable Energy, Inc. (“MGreen”) and the Parent Company entered into a Subscription Agreement, whereby MGreen subscribed to (i) 15.7 billion common shares with subscription price of ₱1.00 per share and (ii) 19.4 billion preferred shares with subscription price of ₱0.01 per share for a total subscription price of ₱15.9 billion. MGreen is a wholly-owned subsidiary of MERALCO PowerGen Corporation (“MGen”), which in turn is a wholly-owned by Manila Electric Company (“Meralco”). Meralco, MGen and MGreen are registered with the SEC. The shares of Meralco are listed in the PSE under the ticker, “MER”.

On January 17, 2024, the SEC approved the Parent Company’s application for increase in authorized capital stock from 50 billion common shares with par value of ₱0.10 per share to 75 billion common shares with par value of ₱0.10 per share and 25 billion preferred shares with par value of ₱0.01 per share, divided into Class A preferred shares and Class B preferred shares. On January 26, 2024, MGreen purchased 2,173,913,000 common shares held by Solar Philippines Power Project Holdings, Inc. (“SP Project Holdings”) for a total consideration of ₱2.5 billion. Consequently, MGreen is considered as the controlling shareholder of the Parent Company with a total voting interest of 53.66%.

#### **(b) Principal Office Address**

On April 12, 2024, the Board of Directors (“BOD”) approved the change of the Company’s principal office from 112 Legaspi Street, Legaspi Village, Brgy. San Lorenzo, Makati City 1229, Philippines to Rockwell Business Center, Ortigas Avenue, Brgy. Ugong, 1604 Pasig City, Philippines. This was subsequently approved by the Parent Company’s stockholders on May 10, 2024. The change in the Parent Company’s principal office address was approved by the SEC on November 29, 2024. Amendment of new address is still pending with the Bureau of Internal Revenue (BIR).

#### **(c) Authorization for the Issuance of the Consolidated Financial Statements**

The consolidated financial statements of the Parent Company and its subsidiaries (the “Group”) as of and for the years ended December 31, 2024 and 2023 and for the six-month period ended December 31, 2022 were authorized for issue by the BOD on April 11, 2025.





---

## 2. Basis of Preparation, Statement of Compliance and Material Accounting Policy Information

### Basis of Preparation

The consolidated financial statements have been prepared using the historical cost basis, except for land carried at revalued amount. The consolidated financial statements are presented in Philippine Peso (₱), the Group's functional and presentation currency. All amounts are rounded to the nearest ₱, unless otherwise indicated.

The amounts in the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows and the related notes, as of and for the six-month period ended December 31, 2022 were presented for the fractional period due to the change of the reporting period of the Parent Company from fiscal year beginning July 1 and ending June 30 to calendar year January 1 and ending December 31 that was approved by the BOD/stockholders, SEC and BIR on August 30, 2022, October 24, 2022 and January 11, 2023, respectively. As a result, the amounts presented in the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows and the related notes for the six-month period ended December 31, 2022 are not comparable with those statements for the years ended December 31, 2024 and 2023.

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

### Statement of Compliance

The consolidated financial statements of the Group are prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards as issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the Philippine SEC.

### Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of December 31, 2024 and 2023 the years then ended and for the six-month period ended December 31, 2022. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using uniform accounting policies. When necessary, adjustments are made to the separate financial statements of the subsidiaries to bring its accounting policies in line with the Parent Company's accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investees 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.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and 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 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 statements of comprehensive income 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 (“NCI”), even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and 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 a 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 interests and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

NCI represents the interests in the subsidiaries not held by the Parent Company and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from equity attributable to holders of the Parent Company. NCI shares in losses even if the losses exceed the NCI in the subsidiary.

### Subsidiaries

The following are the subsidiaries and the respective percentages of ownership as of December 31, 2024 and 2023:

Subsidiaries	Percentage of Ownership (%)	
	2024	2023
<i>A. Existing Active Investments</i>		
Solar Philippines Calatagan Corporation (SP Calatagan) <sup>1</sup>	62	62
Solar Philippines Tarlac Corporation (SP Tarlac)	100	100
Terra Solar Philippines, Inc. (Terra Solar) <sup>3</sup>	100	100
Terra Nueva, Inc. (Terra Nueva) <sup>2</sup>	100	100
SP Holdings, Inc. (SP Holdings) <sup>2</sup>	100	100
<i>B. Investments Put to SP Project Holdings</i>		
Solar Philippines Rooftop Corporation (SP Rooftop) <sup>3</sup>	–	100
Solar Philippines Batangas Corporation (SP Batangas) <sup>3</sup>	–	100
Solar Philippines Batangas Baseload Corporation (SP Batangas Baseload) <sup>3</sup>	–	100
Solar Philippines Central Visayas Corporation (SP Central Visayas) <sup>3</sup>	–	100

(Forward)



Subsidiaries	Percentage of Ownership (%)	
	2024	2023
Solar Philippines Eastern Corporation (SP Eastern) <sup>3</sup>	–	100
Solar Philippines Retail Electricity, Inc. (SP Retail) <sup>3</sup>	–	100
Solar Philippines Southern Mindanao Corporation (SP Southern Mindanao) <sup>3</sup>	–	100
Solar Philippines Southern Tagalog Corporation (SP Southern Tagalog) <sup>3</sup>	–	100
Solar Philippines South Luzon Corporation (SP South Luzon) <sup>3</sup>	–	100
Solar Philippines Tarlac Baseload Corporation (SP Tarlac Baseload) <sup>3</sup>	–	100
Solar Philippines Visayas Corporation (SP Visayas) <sup>3</sup>	–	100
Solar Philippines Western Corporation (SP Western) <sup>3</sup>	–	100
Laguna Rooftop Solar Corporation (Laguna Rooftop) <sup>3</sup>	–	60

<sup>1</sup>Economic interest is 100% after dividend to preferred stock

<sup>2</sup>Investment holding entities

<sup>3</sup>Not started operations as of December 31, 2024

Significant transaction that affected the Parent Company's investments in subsidiaries is disclosed in Notes 19 and 20.

As at December 31, 2024, SPNEC investees are limited to five (5) investees. All other subsidiaries were subjected to a put option with SP Project Holdings executed in 2024.

#### SP Calatagan

SP Calatagan is an entity registered with the Board of Investments ("BOI"). As a registered enterprise, the Company is entitled to seven (7) years income tax holiday ("ITH") from start of actual operations or two (2) months from the date of commissioning or testing, whichever comes earlier, duty-free importation of machineries for a period of 10 years and exemption from VAT, among others. The SP Calatagan began commercial operations on March 11, 2016.

The Parent Company acquired the shares of SP Project Holdings and Leandro L. Leviste in SP Calatagan on June 29, 2023 and November 20, 2023, respectively (see Note 19).

All of the common shares of SP Calatagan are held by the Parent Company while the preferred shares by KEPCO Philippines Holdings, Inc. ("KEPCO"). Under this structure, the voting interest is shared, 62% and 38%, in favor of the Parent Company. The preferred shares are voting, non-participating and earn cumulative dividends at **₱0.8392** per share until December 31, 2035 subject to availability of retained earnings and approval of the BOD. These are convertible to common stock at the option of KEPCO through December 31, 2022 and at the option of SP Calatagan after December 31, 2035, provided the cumulative dividends are paid. Unpaid dividends are entitled to compounded interest at 9.5% per annum until fully paid. As at December 31, 2024 and 2023, undeclared dividends on the SP Calatagan preferred shares amounted to ₱513.4 million and ₱256.7 million, and accumulated interest recorded amounted to ₱36.7 million and ₱12.3 million, respectively.

#### SP Tarlac

SP Tarlac is also registered with the BOI and is entitled to 7-year ITH beginning September 12, 2019.

The Parent Company acquired the shares of SP Project Holdings in SP Tarlac on May 15, 2023 (see Note 19).



All of the common shares of SP Tarlac are held by the Parent Company while all redeemable preferred shares totaling ₱1,500.0 million are held by Prime Metro Holdings Corporation (“Prime Metro”). Such redeemable preferred shares are non-voting and entitled to cumulated fixed dividend at a rate of 12% per annum, subject to availability of retained earnings and approval of the BOD. These shares are redeemable at the option of SP Tarlac after five (5) years from issuance date and convertible to common stock equivalent to 50% equity at the option of Prime Metro.

As at December 31, 2024 and 2023, cumulative undeclared dividends on SP Tarlac’s preferred shares amounted to ₱769.9 million and ₱589.9 million, respectively.

The following are the summarized financial information of SP Calatagan and SP Tarlac as of and for the years ended December 31, 2024 and 2023.

	December 31, 2024	
	SP Calatagan	SP Tarlac
<b>Summarized financial position information</b>		
Current assets	₱859,152,911	₱525,701,423
Noncurrent assets	5,690,597,484	6,671,328,194
Current liabilities	191,130,160	647,200,795
Noncurrent liabilities	1,322,340,073	2,169,293,680
<b>Summarized comprehensive income information</b>		
Revenue from contracts with customers	722,876,607	469,113,095
Costs of sale of electricity	(260,261,285)	(281,078,908)
Gross profit	462,615,322	188,034,187
Finance costs	(94,762,290)	(166,064,788)
General and administrative expenses	(75,484,817)	(35,784,998)
Other income	21,942,502	14,450,459
Benefit from income tax	(42,293,284)	—
Net income	272,017,433	634,860
Other comprehensive income	78,950,475	21,682,275
Total comprehensive income	350,967,908	22,317,135
<b>Summarized cash flows information</b>		
Operating	388,877,699	324,022,013
Investing	(93,563,336)	(35,061,908)
Financing	(387,411,284)	(257,839,043)
Exchange rate effect on cash	(104,354)	606,859
Net increase (decrease) in cash	(₱92,201,275)	₱31,727,921



	December 31, 2023	
	SP Calatagan	SP Tarlac
<b>Summarized financial position information</b>		
Current assets	₱697,606,656	₱483,642,795
Noncurrent assets	5,674,606,019	6,765,727,668
Current liabilities	288,533,947	591,246,084
Noncurrent liabilities	1,403,366,474	2,299,906,373
<b>Summarized comprehensive income information</b>		
Revenue from contract with customer	699,281,878	430,568,929
Costs of sale of electricity	(225,986,476)	(267,640,960)
Gross profit	473,295,402	162,927,969
Finance costs	(106,336,371)	(167,762,523)
General and administrative expenses	(51,953,283)	(33,030,536)
Other income	28,638,095	16,791,424
Provision for (benefit from) income tax	(26,761,760)	8,225,408
Net income (loss)	316,882,083	(29,299,074)
Other comprehensive income	78,381,150	22,450,093
Total comprehensive income (loss)	395,263,233	(6,848,981)
<b>Summarized cash flows information</b>		
Operating	457,619,789	240,993,169
Investing	(47,455,146)	(18,449,129)
Financing	(334,360,453)	(277,861,215)
Exchange rate effect on cash and cash equivalents	83,580	255,736
Net increase (decrease) in cash and cash equivalents	₱75,887,770	(₱55,061,439)

#### NCI

The NCI in the consolidated financial statements represents mainly the ownership of KEPCO in SP Calatagan and Prime Metro in SP Tarlac.

#### 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 in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of these amendments did not have an impact on the consolidated financial statements.

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent*

The amendments clarify:

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



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

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

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

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

#### Summary of Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the Group's consolidated financial statements, unless otherwise indicated.

#### Business Combinations 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 NCI in the acquiree. For each business combination, the Group elects whether to measure the NCI in the acquiree at fair value or at the proportionate share of the acquiree's identifiable assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When a business is acquired, an assessment is made of the identifiable assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date and any resulting gain or loss is recognized in the consolidated statements of income.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in the consolidated statement of income. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for NCI, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

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 ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

#### Business Combination of Entities under Common Control

Business combination of entities under common control are accounted for by applying the pooling-of-interests method. The pooling-of-interests method generally involved the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair value or recognize any new assets or liabilities at the date of combination. The only adjustments that are made are those adjustments to harmonize the accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the entity acquired is reflected within equity.
- The consolidated statements of income, comprehensive income and cash flows reflect the result of the combining entities from the date when the combination takes place.
- Comparative financial information are presented as if the entities had always been combined, or on date the common control existed on the combining entities, whichever comes earlier.
- The effects of any intercompany transactions are eliminated to the extent possible.
- Equity reserve is recognized for the difference between considerations paid or transferred and the net assets of the entity acquired through business combinations involving entities under common control.

#### Presentation of Consolidated Financial Statements

The Group has elected to present all items of recognized income and expense in two statements: a statement displaying components of profit or loss (consolidated statements of income) and a second statement beginning with profit or loss and displaying components of OCI (consolidated statements of comprehensive income).

#### Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statements 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;



- expected to be realized within 12 months after the reporting period;
- held primarily for the purpose of trading; 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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity do not affect its classification.

The Group classifies all other liabilities as noncurrent.

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

#### Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash on hand and in banks and short-term deposits with original maturities of three (3) months or less from dates of acquisition and that are subject to insignificant risk of changes in value.

#### Short-term Investments

Short-term investments are short-term placements with maturities of more than three (3) months but less than one (1) year from the date of acquisition. These earn interest at the respective short-term investment rates.

#### 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 financial assets at amortized cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVPL”).

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. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs.

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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### *Subsequent Measurement*

For purposes of subsequent measurement, financial assets are classified in four 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 FVPL

#### *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 the consolidated statements of comprehensive income when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash and cash equivalents (excluding cash on hand), trade and other receivables, subscriptions receivable, short term investments and bonds (under other current assets), due from related parties, and long-term receivables (under other noncurrent assets) as of December 31, 2024 and 2023 (see Notes 4, 5, 7, 10, 13 and 21).

The Group has no financial assets at FVOCI and FVPL.

#### *Financial liabilities*

##### *Loans and borrowings*

Financial liabilities are classified in this category if these are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or borrowings.

Loans and borrowings are initially recognized at fair value of the consideration received, less directly attributable transaction costs. After initial recognition, such loans and borrowings are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any related issue costs, discount or premium. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized, as well as through the amortization process.

The Group's loans and borrowings include trade and other payables (excluding statutory liabilities),



short-term loans, due to related parties, long-term debt and lease liabilities (including future interest payments) as of December 31, 2024 and 2023 (see Notes 11, 12, 13, 18 and 21).

As of December 31, 2024 and 2023, the Group has no financial liabilities at FVPL.

#### Derecognition of Financial Assets and Liabilities

##### *Financial asset*

A financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired; or
- the Group retains the right to receive cash flows from the asset, but has assumed obligation to pay them 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 the risks and rewards of the asset but has transferred the control of the asset.

Where the Group has transferred its right to receive cash flows from an asset or has entered into a “pass-through” arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset.

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

##### *Financial liability*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where 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 exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

#### Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses (“ECLs”) for all financial assets except debt instruments held at FVPL. 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 (2) 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).

#### Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position, if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an 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.

#### *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 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.

#### Inventories

Inventories are valued at the lower of cost (weighted average method) and net realizable value ("NRV"). The NRV of finished goods and work-in-process is based on estimated selling price, less estimated costs of completion (for work-in-process) and the estimated costs necessary to make sale.



The NRV for raw materials is the current replacement cost. In determining NRV, the Group considers any adjustment for obsolescence.

#### Plant Construction Materials

Plant construction materials are carried at cost and are presented as noncurrent assets as these are intended to be used in the construction of a project.

#### Advances to Suppliers

Advances to suppliers pertain to advance payments made for purchases of construction materials, other services, and rental of equipment. Advances to suppliers is measured on initial recognition at cost, and is reclassified to the proper asset or expense account and deducted from the suppliers' billings as specified on the provision of the contract.

#### Property, Plant and Equipment

Property, plant and equipment, except for land and construction in progress, is stated at cost less accumulated depreciation, amortization and impairment in value, if any. The initial cost of property, plant and equipment consists of the purchase price including import duties, borrowing costs (during construction period) and other costs directly attributable to bringing the assets to its working condition and location for its intended use. Cost also includes the cost of replacing part of the property, plant and equipment, and the borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives, depreciation and amortization. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the 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 and amortization of an item of property, plant and equipment begin when it becomes 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. Depreciation and amortization cease at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized. Leasehold improvements are amortized over the lease term or the economic life of the related asset, whichever is shorter.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

An item of property, plant and equipment, and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.



The useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted, prospectively, if appropriate. The estimated useful lives of property, plant and equipment are as follows:

Category	Number of Years
Solar power plant	30
Right-of-use assets	25 - 30
Machinery and equipment	8
Land improvement	5
Office and warehouse equipment	5
Transportation equipment	5
Furniture and fixtures	5
Leasehold improvements	5 or term of the lease, whichever is shorter

#### *Land*

Land is measured at fair value less impairment losses, if any. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation deficit is recognized in the consolidated statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the revaluation surplus. Upon disposal, any revaluation increment relating to the particular asset being sold is transferred to retained earnings. The appraisal increment, net of the related tax effect, is credited to the "Revaluation surplus" account included as OCI in the consolidated statement of comprehensive income and as other component of equity in the equity section of the consolidated statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the consolidated statement of income, in which case the increase is recognized in the consolidated statement of income.

#### *Construction in progress ("CIP")*

CIP represents structures under construction and is stated at cost, net of accumulated impairment losses, if any. This includes costs of construction and other direct costs. Costs also include interest on lease liability and amortization of right-of-use assets incurred during the construction period. CIP is not depreciated until such time that the assets are put into operational use.

#### *Right-of-use ("ROU") assets*

ROU assets are included as part of property, plant and equipment. The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, 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 ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. ROU assets are subject to impairment (refer to Impairment of Nonfinancial Assets policy).



#### Intangible Asset

Intangible asset pertains to the Power Supply Agreement (PSA) of Terra Solar that was existing at the time of the acquisition (see Notes 26 and 27).

Intangible assets acquired separately are initially measured at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment loss. The useful lives of intangible assets are assessed at the individual asset level as having either finite or indefinite useful lives.

Intangible assets with finite lives are amortized over the useful economic lives of 20 years using the straight-line method and assessed for impairment whenever there is an indication that the intangible assets may be impaired. At a minimum, the amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each reporting date. Changes in the expected useful life or the expected consumption pattern of future economic benefit embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as change in accounting estimates. The amortization expense of intangible assets with finite lives is recognized in the consolidated statement of income once it becomes available for use.

Intangible assets with indefinite useful lives are not amortized, but are assessed for impairment annually either individually or at the cash-generating unit level. The assessment of intangible assets with indefinite useful life is done annually at every reporting date to determine whether such indefinite useful life continues to exist. Otherwise, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset 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 income.

Intangible assets generated within the business are not capitalized and expenditures are charged to profit or loss in the year these are incurred.

#### Project Development Costs

Project development costs pertain to power plant project in the development phase which meet the “identifiability” requirement under PAS 38, *Intangible Assets*, as they are separable and susceptible to individual sale and are carried at acquisition cost. These assets are transferred to “Property, plant and equipment” when construction of the power plant commences. During the period of development, the asset is tested for impairment annually.

#### Value-Added Tax (“VAT”)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable. When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

#### Retirement Benefit Obligation

The Group has an unfunded, non-contributory defined benefit plan covering substantially all of its qualified employees.



The defined benefit obligation is the aggregate of the present value of the defined benefit obligation at the end of the reporting period. The cost of providing benefits under the defined benefit plan is actuarially determined by an independent qualified actuary using the projected unit credit method.

Defined benefit costs comprise the following:

- Current service cost
- Remeasurements of net defined benefit liability or asset

Current service costs are recognized as expense in profit or loss.

Remeasurements, comprising actuarial gains and losses, are recognized immediately in the consolidated statements of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods, but are closed directly to retained earnings at the end of every reporting period.

#### Deposits for Land Acquisition

Deposits for land acquisition pertain to non-refundable deposits and payments made in relation to the acquisition of parcels of land that are intended for future expansion, and are stated at the amount paid less any impairment in value. Upon successful transfer of title, the deposits for land acquisition shall be reclassified to land as part of either investment property or property, plant and equipment.

#### Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that these 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 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. An impairment loss is charged to profit or loss in the period in which it arises. In the case of input VAT, an allowance is provided for any portion of the input VAT that cannot be claimed against output VAT or recovered as tax credit against future income tax liability.

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 periods. Such reversal is recognized in the consolidated statement of comprehensive income.

#### Capital Stock

Capital stock is measured at par value and is classified as equity for all shares of stocks issued.



#### Additional paid-in capital ("APIC")

When the shares of stock are sold at premium, the difference between the proceeds and the par value is credited to the APIC account.

Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are reduction to the APIC. If APIC is not sufficient, the excess is charged against the "Retained earnings" account.

#### Deposits for Future Stock Subscriptions

Deposits for future stock subscriptions represent funds received as payment for additional issuance of shares.

The Parent Company classifies a contract to deliver its additional equity instruments as a "Deposit for future stock subscriptions" if and only if, all of the following elements are present as of the reporting period:

- a. the unissued authorized capital stock of the Parent Company is insufficient to cover the amount of shares indicated in the contract;
- b. there is BOD's approval on the proposed increase in authorized capital stock;
- c. there is stockholders' approval of the said proposed increase; and
- d. the application for the approval of the proposed increase was presented for filing or has been filed with the SEC.

#### Retained Earnings (Deficit)

Retained earnings (deficit) represent the cumulative balance of periodic net income or loss, prior period adjustments, effect of changes in accounting policy and other capital adjustments. When the retained earnings account has a debit balance, it is called "deficit". A deficit is not an asset but a deduction from equity.

#### Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group assesses at contract inception all arrangements to determine whether it is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Group as a Lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### *i) ROU assets*

Refer to ROU assets policy.





ii) *Lease liabilities*

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. 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.

*Short-term leases*

The Group applies the short-term lease recognition exemption to its short-term leases of vehicle (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). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Revenue from Contracts with Customers

*Sale of electricity*

Revenue from sale of electricity is based on the Renewable Energy Payment Agreement (“REPA”), PSAs and Power Purchase Agreements (“PPAs”). Sale of electricity is recognized over time as the power generated by the Group is transmitted through the transmission line designated by the buyer for a consideration and is presented as “Revenue from contracts with customers” in the consolidated statement of comprehensive income. Revenue from sale of electricity is based on sales price and recognized monthly based on the actual energy delivered.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

*Significant financing component*

Revenue from installation services included in contracts with customers have significant financing component considering the period between the customer’s payment of the price of the revenue from installation services and time of the transfer of control over of the installed asset, which is more than one year. The transaction price for such contracts is determined by discounting the amount of promised consideration using the appropriate discount rate. The Group concluded that there is a significant financing component for those contracts where the customer elects to pay in arrears considering the length of time between the customer’s payment and the transfer of installed asset to the customer, as well as the prevailing interest rates in the market.

*Interest income*

Interest income is recognized as interest accrues, using the EIR method, which is 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.



### Costs and Expenses

Costs and 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.

#### *Costs of sale of goods*

Costs of sale of goods include direct materials, personnel expenses, utilities, and other manufacturing costs. This is recognized when the inventories are sold and title is transferred to the buyer.

#### *Costs of sale of electricity*

These include expenses incurred by those directly responsible for the generation of revenues from solar energy (i.e., plant operations, plant maintenance and power plant preventive maintenance schedule), at operating project location. Costs of sales of electricity are expensed when incurred.

#### *Costs of installation services*

Costs of installation services mainly consist of costs of personnel directly engaged in providing installation services. These also include construction costs such as direct materials and those indirect costs related to contract performance. These are generally recognized when the installation 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.

### Foreign Currency Transactions

Transactions in foreign currencies are initially recorded by the Group's entities in the respective functional currency spot rate prevailing at the date of transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the end of the reporting period. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.



### 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 expenses relating to any provision are 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 profit or loss. Management periodically evaluates positions taken in the income tax returns with respect to situations in which applicable income tax regulations are subject to interpretation and establishes provisions where appropriate.

#### *Deferred Income Tax*

Deferred income tax is provided using the balance sheet liability method on temporary differences between the income 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.

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.

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 to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Earnings (Loss) Per Share (“EPS”)

Basic EPS is computed by dividing net income for the year attributable to common shareholders of the Group with the weighted average number of common shares outstanding during the year, after giving retroactive effect to any stock dividends or stock splits, if any, declared during the year.

Diluted EPS is computed in the same manner, with the net income for the year attributable to common shareholders of the Group and the weighted average number of common shares outstanding during the year, adjusted for the effect of all dilutive potential common shares.

#### Operating Segments Reporting

Operating segments are components of the Group that are engaged in business activities from which they may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group’s Chief Operating Decision Maker (“CODM”) 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.

The Group’s operating businesses are organized and managed separately on a per company basis, with each company representing a strategic business segment. As of and for the six-month period ended December 31, 2022, the Group did not present operating segments as it has not yet started commercial operations. Financial information on operating segments are presented in Note 24 to the consolidated financial statements.

#### Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes 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

Events after the financial reporting date that provide additional information about the Group’s position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Events after the financial reporting date that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

#### Future Changes in Accounting Policies

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements to have a significant impact on the consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.



*Effective beginning on or after January 1, 2025*

- Amendments to PAS 21, *Lack of Exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

*Effective beginning on or after January 1, 2026*

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the ‘settlement date’, i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments clarify the application of ‘own-use’ requirements for in-scope contracts that reference nature-dependent electricity and expose an entity to variability in an underlying amount of electricity. With respect to hedge accounting requirements, the amendments now allow an entity to designate a contract referencing nature-dependent electricity as the hedging instrument in a hedge of forecast electricity transactions.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier adoption is permitted and that fact must be disclosed.

The amendments are not expected to have any material impact on First Gen Group’s consolidated financial statements.

- Annual Improvements to PFRS Accounting Standards - Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.



- Amendments to PFRS 7, *Gain or Loss on Derecognition*

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

- Amendments to PFRS 9

- Lessee Derecognition of Lease Liabilities

The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

- Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to ‘transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*’ with ‘the amount determined by applying PFRS 15’. The term ‘transaction price’ in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

- Amendments to PFRS 10, *Determination of a ‘De Facto Agent’*

The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

- Amendments to PAS 7, *Cost Method*

The amendments to paragraph 37 of PAS 7 replaced the term ‘cost method’ with ‘at cost’, following the prior deletion of the definition of ‘cost method’.

*Effective beginning on or after January 1, 2027*

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts



On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. On February 14, 2025, the FSRSC further amended the mandatory effective date of PFRS 17 from January 1, 2025 to January 1, 2027. This is consistent with Circular Letter No. 2025-04 issued by the Insurance Commission which deferred the implementation of PFRS 17 to January 1, 2027.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2027, with comparative figures required. Early application is permitted.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

- PFRS 19, *Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities.

*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*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

---

### 3. Significant Accounting Judgements, Estimates and Assumptions

The 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 consolidated financial statements. Actual results could differ from such estimates.



Judgments 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 items are those matters which the Group assess to have significant risks arising from estimation uncertainties:

#### Judgments

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements. This judgment is based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements.

#### *Determination of Control Over an Investee Company*

Control is presumed to exist when an investor 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. The Group has established that it has the ability to control its subsidiaries by virtue of either 100% or a majority of the voting interest in the investee company.

#### *Determination of Acquisition Date in Business Combinations*

The acquisition date is the date the acquirer obtains control of the acquiree, generally the specified closing or completion date of the business combination.

The date on which control passes is a matter of fact. In determining the acquisition date, the Group considers all the terms and conditions of the arrangements and their economic effects. One or more of pertinent facts and circumstances surrounding a business combination are considered in assessing when the acquirer has obtained control of the acquiree:

- When the consideration is transferred;
- When acquiree shares or underlying net assets are acquired;
- When the acquirer 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;
- Agreement date designed to achieve an overall commercial effect of business combination and economically justified by the parties;

The date on which the Group obtains control over the Solar Philippines Assets is the date on which the Group legally transfers the consideration, acquires the assets, and assumes the liabilities of Solar Philippines Assets.

#### *Assessment of Acquisition as Business Combination*

Where asset is acquired through the acquisition of corporate interests, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents an acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the asset.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Otherwise, corporate acquisitions are accounted for as business combinations. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.





The Parent Company's acquisition of Terra Solar have been accounted for as business combination (see Note 19).

*Business Combination of Entities under Common Control*

A combination involving entities or businesses under common control is 'a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory'. This will include transactions such as the transfer of subsidiaries or businesses between entities within a group, provided the transaction meets the definition of a business combination in PFRS 3.

*Change in Operating Segments*

The Group changed the structure of its internal organization that caused the composition of its reportable segments to change. Prior to 2023, the Group has no operating segments as it has not yet commenced its commercial operations. As of December 31, 2024 and 2023, the Group's operating businesses are organized and managed separately on a per company basis, with each company representing a strategic business segment. Financial information on operating segments are presented in Note 24 of the consolidated financial statements. The reported operating segment information is in accordance with PFRS 8, *Operating Segments*.

*Recoverability of Deposits for Land Acquisition*

The Group assesses at each financial reporting date whether there is indication that the deposits for land acquisition may be impaired. Management's assessment of impairment considers information from various sources, including those from the land acquisition process and the related requirements, the current status of land acquisition, the timeline of activities and factors that may affect the timing of completion of the transaction.

As of December 31, 2024 and 2023, management has assessed that there were no indicators that the deposits for land acquisition may be impaired. The carrying value of deposits for land acquisition amounted to ₱2,955.5 million and ₱3,396.8 million as of December 31, 2024 and 2023, respectively (see Note 9).

*Evaluating Revenue from Contracts with Customers*

The Group applied the following judgments in the determination of the amount and timing of revenue recognition:

- *Identifying Performance Obligations*

The Group identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

The Group assesses performance obligations as a series of distinct goods and services that are substantially the same and have the same pattern of transfer if:

1. each distinct good or services in the series are transferred over time; and
2. the same method of progress will be used (i.e., units of delivery) to measure the entity's progress towards complete satisfaction of the performance obligation



For sale of electricity, the obligation under each contract is a single performance obligation.

For installation services where the Group has to deliver the components of solar photovoltaic (“PV”) systems and perform installation services, the obligations are combined and considered as a single performance obligation since these are not distinct within the context of PFRS 15 as the Group provides a significant service of integrating the goods or services with other goods or services promised in the contract into a bundle of goods or services that represent the combined output for which the customer has contracted. The risk of transferring individual goods or services is inseparable because substantial part of the Group’s promise to the customer is to ensure the individual goods or services are incorporated into the combined output.

For revenue from manufacturing of goods performance obligation is comprised of non-distinct goods or services, which include issuance of materials to production, assembly, testing and packaging considered as single performance obligation.

Further, allocation of transaction prices is not necessary as the obligation under each contract with customers are accounted for as a single performance obligation and the Group does not have any other ancillary services to be performed in connect to all the contracts with customers (see Note 27).

- *Revenue Recognition*

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.

For sale of electricity, the Group concluded that sale of electricity is to be recognized over time, since the customer simultaneously receives and consumes the benefits as the Group supplies electricity.

Revenue from manufacturing of goods is recognized over time or at a point in time. For turnkey contracts where in the products created have no alternative use to the Group and the Group has right to payment for performance completed to date including the related profit margin, in case of termination for reasons other than the Group’s failure to perform as promised, revenue is recognized over time. For goods manufactured not covered by customer purchase orders or firm delivery schedule, revenues are recognized at a point in time.

For revenue from sale of installation services, the Group concluded that revenue from sale of installation services is recognized over time as the satisfaction of the performance obligations creates assets that the customers control as the assets are created.

- *Identifying Methods for Measuring Progress of Revenue recognized over Time*

The Group determines the appropriate method of measuring progress which is either through the use of input or output methods. Input method recognizes revenue on the basis of the efforts or inputs to the satisfaction of a performance obligation while output method recognizes revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date.



For sale of electricity, the Group determined that the output method is the best method in measuring progress as actual electricity is supplied to customer. The Group recognizes revenue based on the actual renewable energy generation (see Note 27).

For revenue from manufacturing of goods, the Group measures progress towards complete satisfaction of the performance obligation using an input method (i.e., costs incurred). Management believes that this method provides a faithful depiction of the transfer of goods or services to the customer because the Group provides integration service to produce a combined output and each item in the combined output may not transfer an equal amount of value to the customer.

For installation services, the Group determined that the input method (on the basis of cost incurred) is the best method in measuring progress towards complete satisfaction of the performance obligation.

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2024	2023
Sale of electricity	<b>₱1,200,054,994</b>	₱619,252,204
Sale of installation services	<b>79,191</b>	16,199,013
Total revenue from contracts with customers	<b>₱1,200,134,185</b>	₱635,451,217

#### Estimates

##### *Estimating Impairment of Financial Assets*

The measurement of impairment losses under PFRS 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows, including collectability, collateral values and other credit enhancements, when determining impairment losses. Increases or decreases to the allowance balance are recorded as general and administrative expenses in the consolidated statement of comprehensive income.

Under PFRS 9, *Financial Instruments*, additional judgments are also made in assessing a significant increase in credit risk in the case of financial assets measured using the general approach. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's impairment calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the impairment models that are considered accounting judgments and estimates include:

- The Group's criteria for defining default and for assessing if there has been a significant increase in credit risk;
- The segmentation of financial and contract assets when impairment is assessed on a collective basis;
- The choice of inputs and the various formulas used in the impairment calculation;
- Determination of relationships between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and,
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the impairment models.



It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

#### *Measurement of ECL*

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.
- *Financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

The Group leverages existing risk management indicators (e.g., internal credit risk classification and restructuring triggers), credit risk rating changes and reasonable and supportable information which allows the Group to identify whether the credit risk of financial assets has significantly increased.

As of December 31, 2024 and 2023, the total allowance for ECL recognized on trade receivables amounted to ₱0.075 million and ₱69.3 million, respectively (see Note 5). The aggregate carrying amounts of cash and cash equivalents (excluding cash on hand), trade receivables, subscriptions receivables, short-term investments and bonds (under other current assets), due from related parties and long-term receivables (under other noncurrent assets) amounted to ₱6,600.9 million and ₱10,972.1 million as of December 31, 2024 and 2023, respectively (see Notes 4, 5, 7, 10 and 13).

#### *Fair Value Assessment as a result of the step-acquisition of Terra Solar*

The Group's acquisition of Terra Solar was accounted for using the acquisition method which require extensive use of accounting estimates and judgments to allocate the purchase price to the fair market values of the acquiree's identifiable assets and liabilities at acquisition date. It also requires the acquirer to recognize gain on bargain purchase or goodwill. The Group's acquisition of Terra Solar has resulted in goodwill. The Group valued certain assets acquired and liabilities assumed, including any identifiable intangible assets from the acquisition. As of December 31, 2024, the Group has finalized the accounting for the step-acquisition of Terra Solar. See Note 20 for the detailed information on the transaction.

#### *Revaluation of Land*

The Group carries its land at revalued amount with changes in fair value recognized in OCI. The fair value of the Group's land measured using the fair value model is based on the valuation carried out by an independent appraiser as of December 31, 2024 and 2023. The valuation was arrived by reference to market evidence of transaction prices of similar properties.

External appraisers used market approach to value the land properties by using sales comparison method in particular. The valuation analysis involved key assumptions such as listing prices of reasonably comparable properties and adjustments related to the characteristics of the land properties such as size, location, utility, and other relevant conditions.



The total increase in land as a result of revaluation as of December 31, 2024 and 2023 amounted to ₱44,068.4 million and ₱11,024.1 million, respectively. In 2024 and 2023, the total revaluation surplus amounted to ₱24,783.21 million and ₱6,041.7 million, respectively, net of the deferred income tax liability. As of December 31, 2024 and 2023, carrying value of revalued land amounted to ₱49,362.8 million and ₱12,467.3 million (see Note 8).

*Estimating useful lives of Property, Plant and Equipment (except Land and CIP)*

The Group estimates the useful lives of property, plant and equipment (except land and CIP) based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. In addition, estimation of the useful lives is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

The carrying values of property, plant and equipment (except land and CIP) amounted to ₱7,226.4 million and ₱7,497.9 million as of December 31, 2024 and 2023, respectively (see Note 8).

*Estimating Impairment of Nonfinancial Assets*

The Group assesses impairment of nonfinancial assets 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.

The carrying amounts of assets that are subject to impairment testing when impairment indicators are present (such as obsolescence, physical damage, significant changes to the manner in which the asset is used, worse than expected economic performance, or other external indicators) are as follows:

	2024	2023
Other current assets* (Note 7)	<b>₱159,062,504</b>	₱168,555,877
Property, plant and equipment - at cost (Note 8)	<b>18,392,981,434</b>	10,136,123,220
Deposits for land acquisition (Note 9)	<b>2,955,531,170</b>	3,396,776,396
Intangible assets (Note 20)	<b>13,261,891,642</b>	13,261,891,642
Other noncurrent assets** (Note 10)	<b>329,943,190</b>	357,985,321
	<b>₱35,099,409,940</b>	₱27,321,332,456

\*Excluding short-term investments

\*\*Excluding long-term receivables



There were no indicators of impairment of nonfinancial assets as of and for the years ended December 31, 2024 and 2023.

*Estimating the Realizability of Deferred Income 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 carrying value of recognized deferred income tax assets amounted to ₱9.3 million and ₱9.6 million as of December 31, 2024 and 2023, respectively (see Note 17).

The Group did not recognize deferred income tax assets on the carryforward benefits of unused net operating loss carryover (“NOLCO”) amounting to ₱1,554.3 million and ₱479.2 million as of December 31, 2024 and 2023, respectively, as management believes that there is no sufficient future taxable income to allow all or part of the deductible temporary difference to be utilized before its expiration (Note 17).

#### 4. Cash and Cash Equivalents

	2024	2023
Cash on hand and in banks (Note 21)	<b>₱507,451,210</b>	₱9,934,772,578
Short-term deposits	<b>5,032,081,658</b>	105,652,049
	<b>₱5,539,532,868</b>	₱10,040,424,627

Short-term deposits are made for varying periods of up to three (3) months and earn interest at the prevailing short-term deposit interest rates.

Cash in banks earn interest at the respective bank deposit rates. Total interest earned from the Group’s cash and cash equivalents, net of final tax, amounted to ₱15.6 million, ₱9.5 million and ₱2.4 million for the years ended December 31, 2024 and 2023 and for the six-month period ended December 31, 2022, respectively.

Cash in banks include the balance of escrow account where the net proceeds of the Initial Public Offering (“IPO”) and Stock Rights Offering (“SRO”) of the Parent Company are deposited. As provided in the escrow agreement, the escrow agent shall release to the Parent Company the offer proceeds within five (5) banking days from the receipt of an instruction letter from the Parent Company directing such release and certifying that the amount released shall be used solely in accordance with the purpose stated in the use of proceeds of IPO and/or SRO.

In the event of any change in the use of proceeds, the Parent Company shall provide the escrow agent with a copy of the certification by the Parent Company’s corporate secretary of the board resolution approving such new use of proceeds and a certification by the Parent Company’s corporate secretary that the new use of proceeds has been disclosed to the PSE in accordance with applicable PSE rules. As of December 31, 2024, all IPO and SRO proceeds have been utilized in accordance with the certified use of proceeds.



## 5. Trade and Other Receivables

	2024	2023
Trade receivables		
Third parties	<b>₱125,337,286</b>	₱276,991,126
Related parties (Note 13)	<b>75,692,579</b>	78,595,394
Non-trade receivables (Note 13)	<b>89,086,869</b>	–
	<b>290,116,734</b>	355,586,520
Less allowance for expected credit losses	<b>75,280</b>	69,298,458
	<b>₱290,041,454</b>	₱286,288,062

Movements in allowance for expected credit losses are as follows:

	2024	2023
Balance at beginning of year	<b>₱69,298,458</b>	₱–
Allowance of deconsolidated accounts (Note 20)	<b>(65,569,401)</b>	–
Reversal of expected credit loss (Note 16)	<b>(3,653,777)</b>	(422,375)
Provision for expected credit loss (Note 16)	–	75,280
Effect of business combination under common control (Note 19)	–	69,645,553
Balance at end of year	<b>₱75,280</b>	₱69,298,458

Trade receivable arises from the revenue from the sale of electricity, sale of goods and services. These are either interest or non-interest bearing depending on the clause indicated in the contract and generally collectible within 40 to 60 days.

## 6. Inventories

The Group's inventories at NRV as of December 2023 is as follows:

	2023
Mounting structures	₱19,423,306
Panels and inverters	12,924,499
Cables	10,297,327
Others	9,696,238
	52,341,370
Less allowance for impairment loss	(27,540,457)
	<b>₱24,800,913</b>

As of December 31, 2024, the Group has no inventories as a result of the deconsolidation due to the exercise of the Put Option (see Note 20).



Movements in allowance for impairment loss on inventories follow:

	2024	2023
Balance at beginning of year	<b>₱27,540,457</b>	<b>₱—</b>
Effects of:		
Deconsolidation (Note 20)	<b>(27,540,457)</b>	—
Business combination under common control (Note 19)	—	29,382,300
Reversal	—	(1,841,843)
Balance at end of year	<b>₱—</b>	<b>₱27,540,457</b>

Inventories charged to costs of sales and services for the years ended December 31, 2024 and 2023 amounted to ₱3.2 million and ₱8.7 million, respectively (see Note 15).

## 7. Other Current Assets

	2024	2023
Short-term investments	<b>₱588,670,612</b>	₱575,810,259
Prepaid real property taxes	<b>28,803,698</b>	10,747,560
Deferred stock issuance cost (Note 14)	<b>18,137,305</b>	32,106,975
Bonds (Notes 21 and 27)	<b>15,000,000</b>	35,267,363
Input VAT	<b>3,715,504</b>	41,086,277
Creditable withholding taxes	<b>1,997,747</b>	6,748,265
Advances to suppliers	—	15,330,330
Others	<b>8,201,655</b>	32,878,931
	<b>664,526,521</b>	749,975,960
Less allowance for impairment loss on input VAT	<b>(152,721)</b>	(5,609,824)
	<b>₱664,373,800</b>	<b>₱744,366,136</b>

Movements in allowance for impairment loss on input VAT are as follows:

	2024	2023
Balance at beginning of the year	<b>₱5,609,824</b>	<b>₱—</b>
Impairment loss on deconsolidated accounts (Note 20)	<b>(3,585,802)</b>	—
Reversal of impairment loss	<b>(1,871,301)</b>	(204,934)
Effect of business combination under common control (Note 19)	—	5,133,866
Provision for impairment loss (Note 16)	—	680,892
Balance at end of the year	<b>₱152,721</b>	<b>₱5,609,824</b>

Bonds pertain to (a) cash bond deposits with the Department of Agrarian Reform (DAR) in connection with SP Tarlac's application for conversion of land from agricultural to industrial use. The total amount of cash bond deposit is refundable upon compliance with the conditions set forth in the DAR Conversion Order (see Note 10); and (b) the Parent Company's performance bond with Angeles Electric Corporation ("AEC") in relation to the 15 MW<sub>p</sub> solar power project. The performance bond was initially valid until August 10, 2024 and subsequently renewed until November 26, 2025 (see Note 27).





Short-term investments includes restricted interest-bearing accounts opened and established by SP Calatagan and SP Tarlac in accordance with certain loan and service agreements that will serve as a cash reserve or deposit to service the principal and/or interest payments due on the long-term debt, and as performance security to their respective PSAs (see Note 12). Restricted short-term investments amounted to ₱573.7 million and ₱575.8 million as of December 31, 2024 and 2023, respectively. For the years ended December 31, 2024 and 2023, interest earned from short-term investments amounted to ₱19.5 million and ₱14.9 million, respectively.

Advances to suppliers pertain to advance payments made by the Group to third-party suppliers for the purchase of materials.

Others include prepaid insurance, other prepaid expenses, security deposit and advances to employees, among others.



## 8. Property, Plant and Equipment

*At cost*

**December 31, 2024**

	Solar Power Plants	Land and Leasehold Improvements	Transportation Equipment	Office and Warehouse Equipment	Furniture and Fixtures	ROU Assets (see Note 18)	Building	Construction in Progress	Total
<b>Cost</b>									
Balances at beginning of year	₱8,540,278,396	₱2,367,764	₱701,082	₱4,045,867	₱385,031	₱534,653,539	₱1,543,512	₱2,652,776,839	₱11,736,752,030
Additions	93,463,337	46,440	21,012,411	8,644,313	704,119	—	—	8,794,469,066	8,918,339,686
Reclassification (Note 10)	68,147,200	—	—	—	—	—	—	(20,141,274)	48,005,926
Effect of deconsolidation as a result of Put Option exercised (Note 20)	(88,219,969)	—	—	—	—	—	—	(258,533,690)	(346,753,659)
<b>Balances at end of year</b>	<b>8,613,668,964</b>	<b>2,414,204</b>	<b>21,713,493</b>	<b>12,690,180</b>	<b>1,089,150</b>	<b>534,653,539</b>	<b>1,543,512</b>	<b>11,168,570,941</b>	<b>20,356,343,983</b>
<b>Accumulated depreciation, amortization, and impairment losses</b>									
Balances at beginning of year	1,502,652,704	777,099	422,938	1,353,425	364,427	80,481,090	20,580	14,556,547	1,600,628,810
Depreciation and amortization (Notes 15 and 16)	360,783,721	331,449	1,602,631	1,322,980	93,312	15,036,837	61,740	—	379,232,670
Amortization capitalized to construction in progress	—	—	—	—	—	5,670,355	—	—	5,670,355
Effect of deconsolidation as a result of Put Option exercised (Note 20)	(7,612,739)	—	—	—	—	—	—	(14,556,547)	(22,169,286)
<b>Balances at end of year</b>	<b>1,855,823,686</b>	<b>1,108,548</b>	<b>2,025,569</b>	<b>2,676,405</b>	<b>457,739</b>	<b>101,188,282</b>	<b>82,320</b>	<b>—</b>	<b>1,963,362,549</b>
<b>Net book value</b>	<b>₱6,757,845,278</b>	<b>₱1,305,656</b>	<b>₱19,687,924</b>	<b>₱10,013,775</b>	<b>₱631,411</b>	<b>₱433,465,257</b>	<b>₱1,461,192</b>	<b>₱11,168,570,941</b>	<b>₱18,392,981,434</b>



December 31, 2023

	Solar Power Plants	Land and Leasehold Improvements	Transportation Equipment	Office and Warehouse Equipment	Furniture and Fixtures	ROU Assets	Building	Construction in Progress	Total
Cost									
Balances at beginning of the year	P–	P–	P207,600	P–	P–	P301,837,803	P–	P1,389,549,741	P1,691,595,144
Effect of business combination under common control (Note 19)	8,558,032,873	722,248	493,482	1,244,417	385,031	249,432,583	–	571,815,714	9,382,126,348
Additions	937,305	1,645,516	–	2,801,450	–	–	1,543,512	691,411,384	698,339,167
Disposal	(18,691,782)	–	–	–	–	–	–	–	(18,691,782)
Adjustments	–	–	–	–	–	(16,616,847)	–	–	(16,616,847)
Balances at end of the year	8,540,278,396	2,367,764	701,082	4,045,867	385,031	534,653,539	1,543,512	2,652,776,839	11,736,752,030
Accumulated depreciation, amortization, and impairment losses									
Balances at beginning of the year	–	–	15,840	–	–	20,347,680	–	–	20,363,520
Effect of business combination under common control (Note 19)	1,299,392,700	722,248	318,618	1,169,828	319,674	42,911,325	–	14,556,547	1,359,390,940
Depreciation and amortization (Note 15 and 16)	205,857,760	54,851	88,480	183,597	44,753	9,982,700	20,580	–	216,232,721
Amortization capitalized to construction-in- progress	–	–	–	–	–	7,239,385	–	–	7,239,385
Disposal	(2,597,756)	–	–	–	–	–	–	–	(2,597,756)
Balances at end of the year	1,502,652,704	777,099	422,938	1,353,425	364,427	80,481,090	20,580	14,556,547	1,600,628,810
Net book value	P7,037,625,692	P1,590,665	P278,144	P2,692,442	P20,604	P454,172,449	P1,522,932	P2,638,220,292	P10,136,123,220



*Solar Power Plants*

As of December 31, 2024 and 2023, solar power plants of SP Calatagan and SP Tarlac (“Solar Power Plants”) are pledged as collateral for their respective project financing (see Note 12).

In 2023, the Group recognized gain on sale of the solar power plant of SP Rooftop amounting to ₱17.8 million presented as part of “Other income (charges) - net” in the 2023 consolidated statement of comprehensive income.

*CIP*

This pertains to capitalized costs related mainly to the SPNEC’s Phase 1, SP Tarlac’s expansion project and Terra Solar’s project (see Note 26).

*ROU assets*

The Group entered into various non-cancellable land lease agreements in Concepcion, Tarlac, and Sta. Rosa, Nueva Ecija with various third-party lessors for the development of various projects.

The costs of ROU assets are amortized using the straight-line method over the lease term. As of December 31, 2024 and 2023, the remaining terms of the leases range between 20 to 30 years (including extension of five (5) years) (see Note 18).

***Land - At revalued amount***

	2024	2023
Balances at beginning of year	<b>₱12,467,340,000</b>	₱—
Additions	<b>226,674,186</b>	36,070,190
Reclassifications from:		
Investment properties	—	312,626,010
Deposits for land acquisition (Note 9)	<b>3,624,514,954</b>	287,506,687
Revaluation surplus during the year	<b>33,044,275,260</b>	8,055,590,913
Effect of business combination under common control (Note 19)	—	3,775,546,200
	<b>₱49,362,804,400</b>	₱12,467,340,000

In 2023, as part of the business combination under common control, a total of 135.68 hectares of land of SP Calatagan and SP Tarlac with combined fair value of ₱3,775.5 million were transferred to the Parent Company (see Note 19).

As a result of the consolidation of Terra Solar (see Note 20), land previously classified as investment properties were reclassified to property, plant and equipment and carried at revalued amount as of December 31, 2023.



The Parent Company opted to adopt the appraisal accounting consistent with the provisions of PFRS 13, *Fair Value Measurement*. Consequently, it engaged an independent firm of appraisers to conduct a revaluation of the consolidated land area of the Group. The valuations undertaken were based on market value approach wherein fair value, supported by market evidence, is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. Key unobservable inputs (Level 3) used to measure the fair value of the land is the price per square meter from ₱1,500 - ₱5,000 per square meter in 2024 and ₱2,300 - ₱4,900 per square meter in 2023, depending on the property. The resulting values are as follows:

2024				
Entity	Land Area (in hectares)	Acquisition cost (In millions)	Appraised value as of December 31, 2024	Revaluation surplus
Terra Nueva	2,060.41	₱3,962.6	₱35,027.0	₱31,064.4
SPNEC	493.50	524.8	10,290.4	9,765.6
SP Calatagan	105.26	704.8	2,526.4	1,821.6
SP Tarlac	30.41	102.2	1,519.0	1,416.8
	<b>2,689.58</b>	<b>₱5,294.4</b>	<b>₱49,362.8</b>	<b>₱44,068.4</b>

2023				
Entity	Land Area (in hectares)	Acquisition cost (In millions)	Appraised value as of December 31, 2023	Revaluation surplus
Terra Nueva	534.76	₱636.2	₱8,556.1	₱7,919.9
SP Calatagan	105.26	704.8	2,421.1	1,716.3
SP Tarlac	30.41	102.2	1,490.1	1,387.9
	<b>670.43</b>	<b>₱1,443.2</b>	<b>₱12,467.3</b>	<b>₱11,024.1</b>

Significant increases (decreases) in estimated price per square meter in isolation would result in a significantly higher (lower) fair value on a linear basis.

For the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

## 9. Deposits for Land Acquisition

Following is a summary of the deposits for land acquisition of the Group:

Land Owner	2024		2023	
	Land Area (in hectares)	Amount	Land Area (in hectares)	Amount
Provincia Investments Corporation ("PIC") (Note 13)	68.62	₱270,000,000	68.62	₱270,000,000
Lupang Hinirang Holdings Corporation ("LHHC") (Note 13)	56.81	267,000,000	56.81	267,000,000
Leandro L. Leviste (Notes 12 and 13)	87.50	421,618,085	87.50	421,618,085
Various landowners*	1,174.95	1,996,913,085	2,092.72	2,438,158,311
	<b>1,387.88</b>	<b>₱2,955,531,170</b>	<b>2,305.65</b>	<b>₱3,396,776,396</b>

\*Includes land acquisition-related costs

The 87.50-hectares property with deposits for land acquisition to Leandro L. Leviste is pledged to a local bank for the loan obtained by SP Tarlac (see Note 12).



Following are the movements in the Group's deposits for land acquisition with various landowners:

	2024	2023
Balances at beginning of the year	<b>₱2,424,726,680</b>	₱1,489,892,396
Additions	<b>3,196,701,359</b>	723,096,532
Reclassifications from (to):		
Refundable deposit	—	500,000,000
Land (Note 8)	<b>(3,624,514,954)</b>	(287,506,687)
Effect of business combination under common control (Note 19)	—	12,676,070
Balances at end of the year	<b>₱1,996,913,085</b>	₱2,438,158,311

In 2023, upon receipt of land conversion orders from the DAR, Terra Nueva reclassified refundable deposits pertaining to land-related costs amounting to ₱500.0 million to deposits for land acquisition.

The remaining balance of deposits for land acquisition as of December 31, 2024 and 2023 amounting to ₱876.46 million and ₱1,111.8 million, respectively, will be payable when the conditions under the contracts to sell are satisfied.

#### 10. Other Noncurrent Assets

	2024	2023
Long-term receivables (Note 27)	<b>₱318,977,637</b>	₱318,977,637
Input VAT	<b>213,661,724</b>	138,451,932
Deferred input VAT	<b>66,082,155</b>	78,188,325
Plant construction materials	<b>51,101,492</b>	50,624,254
Advances to suppliers	<b>46,042,772</b>	—
Bonds (Note 7)	<b>20,267,363</b>	—
Project development costs	—	75,062,130
Others	<b>16,275,168</b>	15,786,849
	<b>732,408,311</b>	677,091,127
Less allowance for impairment of input VAT	<b>(128,168)</b>	(128,168)
	<b>₱732,280,143</b>	₱676,962,959

Project development costs pertain to pre-development costs incurred by Terra Solar in relation to the construction of its solar power project (see Note 20). Project development costs amounting to ₱48.1 million have been reclassified to "Construction in progress" upon commencement of construction of Terra Solar's power plant, while ₱27.1 million costs were written off since they will no longer be utilized (see Note 8).



## 11. Trade and Other Payables

	2024	2023
Accounts payable		
Third parties	<b>₱507,035,623</b>	₱49,127,667
Related parties (Note 13)	<b>138,379,177</b>	185,013,429
Interest payable (Note 12)	<b>111,194,508</b>	99,315,778
Withholding tax payable	<b>77,114,209</b>	13,793,524
Retention payable (Note 13)	<b>34,878,519</b>	—
Current portion of replacement energy cost payable (Note 27)	<b>8,028,019</b>	12,183,924
Accrued expenses:		
Financial advisor fee (Note 16)	<b>1,219,848,000</b>	—
Interest on undeclared dividends (Notes 2 and 16)	<b>36,679,968</b>	12,293,468
Purchases	<b>15,193,754</b>	10,743,183
Taxes	<b>14,425,815</b>	10,883,957
Regulatory fees	<b>6,649,622</b>	6,552,545
Legal and other professional fees	<b>1,000,000</b>	28,404,579
Others	<b>7,651,831</b>	32,606,679
	<b>₱2,178,079,045</b>	₱460,918,733

Accounts payable are non-interest bearing and settled within one (1) year in the normal course of business.

Accrued regulatory fees pertain to unbilled liabilities for costs of benefits to host communities provided under Department of Energy (“DOE”) Energy Regulations No. 1-94.

Retention payable pertains to amounts owed to subcontractors arising from the construction of power plant and are normally settled upon receipt of billing.

## 12. Borrowings

### a. Short-term loans

Following are the details of the short-term loans obtained from local banks:

	Interest rate	Amount
Terra Solar	6.85% - 6.94%	₱4,200,000,000
Terra Nueva	6.74%	3,000,000,000
		<b>₱7,200,000,000</b>

The loans are obtained from local banks and are secured by the Parent Company’s shares in these entities. The loans are not subject to any significant covenants and warranties.



In 2024, interest expense on short-term loan obtained by Terra Solar amounting to ₱5.9 million was capitalized as part of “Construction in progress” in the consolidated statement of financial position (see Note 8). On the other hand, interest expense incurred by Terra Nueva amounting to ₱11.9 million is recorded as part of “Finance costs” in the consolidated statement of income.

Interest payable as of December 31, 2024 amounted to ₱17.8 million (see Note 11).

b. Long-term debt

Following are the details of the long-term debt:

Entity	Original Loan Amount (In millions)	Interest rate	Repayment schedule	Outstanding balance as of	
				December 31, 2024	December 31, 2023
SP Tarlac	₱2,225.0	8.62%, subject to second repricing in July 2029	20 semi-annual installments starting January 3, 2021 until July 3, 2031	₱1,753.5	₱1,935.8
SP Calatagan	3,400.0	5-year benchmark plus a pre-agreed spread	24 semi-annual installments starting October 3, 2018 until April 3, 2029	1,008.2	1,198.8
Total				2,761.7	3,134.6
Less unamortized debt transaction cost				(32.0)	(38.0)
				2,729.7	3,096.6
Current portion				235.9	366.9
Long-term debt, net of current portion				₱2,493.8	₱2,729.7

Movements in the debt transaction costs are as follows:

	2024	2023
Balance at beginning of year	₱38,006,328	₱43,244,473
Amortization during the year	(6,018,701)	(5,238,145)
Balance at end of year	₱31,987,627	₱38,006,328

SP Tarlac

*Omnibus Loan and Security Agreement (OLSA) - ₱2,225.0 million Loan*

SP Tarlac’s 100MW project was funded by a 12-year term loan payable in 22 installments with a balloon payment for the balance in July 2031. Under the terms of the OLSA, SP Tarlac shall maintain certain financial ratios which include, debt-to-equity ratio of 50:50; debt service coverage ratio (DSCR) of at least 1.20x.

The loan is secured by the power plant, land where facilities are constructed, leasehold rights of the project, parcels of land owned by an individual stockholder of SPNEC and the shares held by SPNEC in SP Tarlac. As of December 31, 2024, SP Tarlac is in compliance with the terms of the OLSA. Total interest expense amounted to ₱156.6 million and ₱163.3 million in 2024 and 2023, respectively.





### SP Calatagan

#### *OLSA - ₱3,400.0 million Loan*

SP Calatagan drew a 12-year term loan amounting to ₱3,400.0 million to finance the 63,359 MW Project. The loan is payable in 24 equal installments with a balloon payment on September 8, 2017.

The OLSA requires maintenance of debt-to-equity ratio of 70:30 and DSCR of at least 1.20x. As of December 31, 2024, SP Calatagan is compliant with the covenants of the OLSA. Total interest expense amounted to ₱93.6 million in 2024 and ₱51.3 million in 2023.

The loan is secured by the project asset and land where the power plant is constructed and the shares held by SPNEC in SP Calatagan.

## 13. Related Party Transactions

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. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

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

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

Following are the Group's related party transactions for the years ended December 31, 2024 and 2023 and the related outstanding balances as of December 31, 2024 and 2023:

	Transactions during the year		Balance as of December 31		Terms	Conditions
	2024*	2023	2024	2023		
<b>Trade and other receivables</b> (Note 5)						
Meralco	₱465,458,405	₱–	₱75,692,579	₱78,595,394	Trade receivables	Unsecured and will be settled in cash
Metro Nueva Ecija Corporation (“MNEC”)	445,570,585	–	78,684,200	–	Non-trade receivables	On demand; unsecured; no impairment
PIC	2,871,392	–	2,871,392	–	-do-	-do-
			₱157,248,171	₱78,595,394		
<b>Deposits for land acquisition</b> (Note 9)						
Individual Stockholder	₱–	₱421,618,085	₱421,618,085	₱421,618,085	Deposits; non-interest bearing	Unsecured; Not impaired
LHHC	–	–	270,000,000	270,000,000	-do-	-do-
PIC	–	–	267,000,000	267,000,000	-do-	-do-
			₱958,618,085	₱958,618,085		
<b>Due from related parties</b>						
<i>Intermediate Parent Company</i>						
MGreen	₱3,868,729	₱–	₱3,868,729	₱–	Due and demandable; non-interest bearing	Unsecured; Not impaired

(Forward)



	Transactions during the		Balance as of December 31		Terms	Conditions
	2024*	2023	2024	2023		
<b>Affiliates</b>						
SP Project Holdings	₱—	₱81,433,396	₱85,708,958	₱87,967,930	-do-	-do-
Solar Philippines Commercial Rooftop Projects, Inc. (“SPCRPI”)*	—	2,100,000	31,398,913	31,654,070	-do-	-do-
SP Rooftop*	1,570,382	—	14,472,361	—	-do-	-do-
Individual Stockholder	—	7,293,310	7,293,310	7,293,310	-do-	-do-
SP Batangas Baseload*	64,680	—	3,264,680	—	-do-	-do-
Laguna Rooftop*	352,996	—	352,996	—	-do-	-do-
SP Eastern*	111,744	—	131,744	—	-do-	-do-
SP South Luzon*	111,745	—	111,745	—	-do-	-do-
SP Visayas*	54,320	—	65,320	—	-do-	-do-
SP Batangas*	61,744	—	62,744	—	-do-	-do-
SP Central Visayas*	113,488	—	113,488	—	-do-	-do-
SP Southern Tagalog*	51,744	—	51,744	—	-do-	-do-
SP Tarlac Baseload*	61,744	—	61,744	—	-do-	-do-
SP Western*	61,744	—	61,744	—	-do-	-do-
SP Retail*	54,459	—	54,459	—	-do-	-do-
SP Southern Mindanao*	51,744	—	51,744	—	-do-	-do-
Solar Philippines Central Luzon Corporation (SP Central Luzon)*	15,000	5,000	20,000	5,000	-do-	-do-
SP Southern Tagalog Corporation*	10,000	—	10,000	—	-do-	-do-
			₱147,156,423	₱126,920,310		
<b>Due to related parties</b>						
					Due and demandable; non-interest bearing	Unsecured
SP Project Holdings	₱24,600	₱326,103,072	₱344,858,749	₱536,656,775	-do-	-do-
Countryside	3,316,905	37,552,682	40,869,587	37,552,682	-do-	-do-
MGen	697,838	—	697,838	—	-do-	-do-
MGreen	21,908,858	—	221,373	—	-do-	-do-
GBPC	141,504	—	123,444	—	-do-	-do-
PIC	90,914	—	90,914	—	-do-	-do-
TRHI	—	33,988,926	—	33,988,926	-do-	-do-
DGA	—	244,443	—	244,443	-do-	-do-
			₱386,861,905	₱608,442,826		
<b>Advances to supplier</b> (Note 11)						
MIESCOR	₱1,368,660,855	₱—	₱—	₱—	EPC Contract	Will be settled thru performance of services
<b>Retention payable</b> (Note 11)						
MIESCOR	₱32,623,051	₱—	₱32,623,051	₱—	EPC Contract	Upon issuance of the Provisional Acceptance Certificate
<b>Accounts payable and accrued expenses</b>						
SP Project Holdings	₱719,037,700	₱36,000,000	₱91,195,400	₱10,157,700	Various terms not longer than one year; non-interest bearing	Unsecured
Meralco	24,502,682	—	32,530,701	12,183,924	-do-	-do-
MGreen	110,753,920	—	23,683,272	—	-do-	-do-
SMSC	36,951,147	85,454,482	22,238,121	32,869,361	-do-	-do-
GBPC	27,256,279	—	4,465,579	—	-do-	-do-
SPCRPI	—	85,714,453	—	85,714,453	-do-	-do-
SPMMC	—	—	—	547,956	-do-	-do-
MIESCOR Builders Inc.	92,078,535	—	—	—	-do-	-do-
			₱174,113,073	₱141,473,394		
<b>Other noncurrent liabilities</b>						
Meralco (Note 27)	₱—	₱—	₱89,070,870	₱95,428,850	Offset against revenue collections	-do-

\*Prior to September 3, 2024, transactions of these affiliates were eliminated during consolidation (Note 20).



a. SP Project Holdings

*Management Services Agreement (“MSA”) between SPNEC and SP Project Holdings*

On April 30, 2021, the Parent Company entered into a MSA with SP Project Holdings to provide executive and leadership support and execute its strategic direction while managing its business operations for a period from May 1, 2021 to April 30, 2024, for a monthly fee of ₱2.0 million, subject to 5% annual escalation. The MSA was not renewed upon expiration.

The MSA covers all necessary administrative and advisory services on management, investment and technical matters involving the Parent Company’s operations, including but not limited to human resources, legal, finance, and information technology.

The key administrative and finance functions are performed by SP Project Holdings through the MSA. Management fee recognized for the years ended December 31, 2024, 2023 and six-month period ended December 31, 2022 amounted to ₱8.8 million, ₱26.0 million and ₱12.8 million, respectively, presented as “Management fees” under “General and administrative expenses” in the consolidated statements of income (see Note 16).

*Construction Support Services Agreement (“CSSA”) with SP Project Holdings*

On September 30, 2022, the Parent Company entered into a CSSA with SP Project Holdings wherein SP Project Holdings shall provide support services, including engineering, procurement and construction (“EPC”), logistics, warehousing and other contractor-related services during the construction of the Parent Company’s Phase 1 Project.

Construction support services billed for the years ended December 31, 2024 and 2023 amounted to nil and ₱36.0 million, respectively, which were capitalized as part of CIP (see Note 8).

*Administrative Services Contract (“ASC”) between SP Calatagan and SP Project Holdings*

On May 27, 2020, SP Calatagan entered into an administrative service contract with SPCRPI, an affiliate, to provide necessary and advisory services on management, investment and technical matters involving SP Calatagan’s operations, including but not limited to human resources, legal, finance and information technology. Under the contract, SP Calatagan shall pay SPCRPI a monthly fee of ₱1.0 million for a period of ten (10) years from January 1, 2020. On January 22, 2021, SPCRPI executed a Deed of Assignment transferring all of its rights and obligations under the administrative service contract to SP Project Holdings. SP Calatagan recognized professional fees amounting to ₱9.0 million and ₱12 million in 2024 and 2023, respectively, which is presented as part of “Management fees” under “General and administrative expenses” in the consolidated statements of income (see Note 16).

*Intercompany Advance Agreement (“IAA”) between SPNEC, SP Project Holdings and Terra Nueva*

In May 2023, the BOD of the Parent Company approved the authority to enter in a loan arrangement with SP Project Holdings in which SP Project Holdings may lend to the Parent Company an amount up to the net proceeds of the Share Purchase Agreement with MPIC (net of taxes, costs, and fees), under the terms and conditions approved and recommended for board approval by the Related Party Transactions Committee of the Parent Company, and the proposed on-lending from the Parent Company to Terra Nueva of the proceeds of this loan.



In June 2023, the Parent Company executed an IAA with SP Project Holdings whereby SP Project Holdings extended a one (1) year loan to the Parent Company wherein the latter shall exclusively use the proceeds of the loan for on-lending to Terra Nueva. Per IAA, the Parent Company shall not directly or indirectly use the proceeds of the Loan for any other purpose without SP Project Holdings' prior written consent.

On the same date, SPNEC executed an IAA with Terra Nueva whereby the Parent Company extended a one (1) year loan to Terra Nueva which was used exclusively to acquire Project Lands, as defined in the IAA. Per IAA, Terra Nueva shall not directly or indirectly use the proceeds of the Loan for any other purpose without the Lender's prior written consent.

In 2023, the Parent Company received advances from SP Project Holdings amounting to ₱300.0 million which were then subsequently advanced to Terra Nueva. In 2024, the Parent Company fully settled these advances from SP Project Holdings.

*Service Agreement with Terra Solar and SP Project Holdings*

On April 19, 2024, Terra Solar and SP Project Holdings entered into a Service Agreement to assist in securing permits, licenses and clearances from relevant government agencies. Terra Solar paid ₱688.0 million which was capitalized as part of "Construction in progress" (see Note 8).

On April 11, 2025, SP Project Holdings confirmed that the shareholder advances it made to SP Tarlac amounting to ₱322.4 million have been assigned to the Parent Company when it subscribed to 24.37 billion of SPNEC shares in exchange for assets, which included SP Project Holdings' shares in the Company in February 2022.

b. LHHC

*MOA with LHHC*

On April 19, 2021, the Parent Company entered into a MOA with LHHC to secure land covering a total area of 56.81 hectares for a total amount of ₱270.0 million. As of December 31, 2024 and 2023, title to the land has not been turned over to the Parent Company. Accordingly, ₱270.0 million continues to be presented as part of "Deposits for land acquisition" in the consolidated statements of financial position (see Note 9).

c. PIC

*MOA with PIC*

On February 20, 2021, the Parent Company entered into a MOA with PIC, which was later amended on March 3, 2021, to secure land covering a total area of 68.62 hectares for a total amount of ₱267.0 million. As of December 31, 2024 and 2023, title to the land has not been turned over to the Parent Company. Accordingly, ₱267.0 million continues to be presented as part of "Deposits for land acquisition" in the consolidated statement of financial position (see Note 9).



d. Solar Maintenance Services Corporation (“SMSC”)

*Support Services Agreement between the Parent Company and SMSC*

On September 29, 2022, the Parent Company entered into a Support Services Agreement with SMSC, an affiliate of the Parent Company, wherein SMSC shall provide support services during the construction and development of the Parent Company’s Phase 1 Project. Manpower services recognized for the years ended December 31, 2024 and 2023 amounted to ₱19.2 million and ₱43.6 million, respectively, which were capitalized in CIP (see Note 8).

*Property Management Agreement between SP Calatagan and SMSC*

SP Calatagan has annual property management agreement with SMSC to maintain and manage the solar power plant. In January 2022, SP Calatagan renewed its contract for a period of one year until December 31, 2022. The agreement was automatically renewed and extended for another period of one year, subject to standard escalation of service fee. In 2024 and 2023, SP Calatagan recognized outside services amounting to ₱20.7 million and ₱9.9 million, respectively, presented as part of “Costs of sales and services” in the consolidated statements of income (see Note 15).

*Operation and Maintenance Agreement between SP Tarlac and SMSC*

SP Tarlac entered into an Operation and Maintenance Agreement with SMSC for the latter to operate, maintain and manage SP Tarlac’s solar power plant for 20 years. For the years ended December 31, 2024 and 2023, SP Tarlac recognized manpower services amounting to ₱23.5 million and ₱14.5 million, respectively, which is presented as part of “Costs of sales and services” in the consolidated statements of income (see Note 15).

e. Meralco Industrial Engineering Services Corporation (“MIESCOR”)

*Contract for works for Terra Solar*

On March 1, 2024, Terra Solar and MIESCOR executed the Contract for Works to conduct geotechnical investigations for the Terra Solar Project for a contract price of ₱62.4 million.

On August 20, 2024, the parties executed the Contract for Engineering, Design, Supply, Construction, Testing and Commissioning for the Connection Assets to carry out various works for the Terra Solar Project for a contract price of ₱7.8 billion and ₱6.7 billion (US\$116.9 million) for onshore and offshore works, respectively. The construction of the connection assets is expected to be completed by October 2025.

In 2024, Terra Solar issued Limited Notices to Proceed to commence work on certain portions of the scope of works specified in the contracts.

*Engineering, Procurement and Construction Contract for the Transmission Lines for SPNEC*

In relation to the NE 2 Project, the Parent Company entered into an EPC contract with MIESCOR in July 2022, for the 11.4 km 230 kV transmission line necessary to connect the Parent Company’s Power Plant to the NGCP Cabanatuan Substation, and provide the necessary services, equipment and materials.



f. Global Business Power Corporation (“GBPC”)

*Service Agreement for Terra Solar*

On July 29, 2024, Terra Solar entered into a Service Agreement with GBPC, a subsidiary of MGreen, to provide support services for project development and business operations until December 31, 2024. Service fees incurred from GBPC amounted to ₱27.2 million presented as part of “Management fees” under “General and administrative expenses” (see Note 16). The service agreement was extended until June 30, 2025.

g. MGreen

*Service Agreement for Terra Solar*

On July 29, 2024, Terra Solar entered into a Service Agreement with MGreen, to provide support services for project development and business operations until December 31, 2024. Terra Solar paid a monthly fee based on actual cost of services plus 5.0% margin. In 2024, service fees incurred amounted to ₱110.7 million, of which ₱81.3 million was capitalized as part of construction in progress (see Note 8) and ₱29.4 million was presented as part of “Management fees” under “General and administrative expenses”. The service agreement is extended until June 30, 2025.

h. MNEC

In 2024, Terra Nueva executed a Master Agreement with MNEC to acquire rights, interests and title over parcels of lands covering a total land area of 547.25 hectares from MNEC, subject to terms and conditions, for a total contract price of ₱922.4 million.

Upon execution of the agreement, Terra Nueva paid ₱445.6 million to MNEC. Of this amount, DOAS and transfer of titles of the parcels of land amounting to ₱78.7 million has not yet been executed. Accordingly, Terra Nueva recognized a non-trade receivable from MNEC as of December 31, 2024.

i. Individual Stockholder

*MOA Individual Stockholder for SP Calatagan*

On February 12, 2019, SP Calatagan entered into a MOA an Individual Stockholder to purchase 87.50 hectares of land for ₱421.6 million as part of land-related costs under “Deposits for land acquisition” account. As of December 31, 2024 and 2023, title to the land has not been turned over to SP Calatagan. Accordingly, ₱421.6 million continues to be presented as “Deposits for land acquisition” in the consolidated statement of financial position (see Note 9).

On June 28, 2019, the 87.50 hectares of land specified in the MOA were pledged as part of the securities to obtain a loan facility of SP Tarlac (see Note 12).



## 14. Equity

### Capital Stock and Additional Paid-in Capital

The details of the Parent Company's capital stock as of December 31, 2024 and 2023 are as follows:

	2024				2023			
	Common stock (₱0.1 par value)		Preferred stock (₱0.01 par value)		Common stock (₱0.1 par value)		Preferred stock (₱0.01 par value)	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Authorized:								
Balances at beginning of year	50,000,000,000	₱5,000,000,000	—	₱—	10,000,000,000	₱1,000,000,000	—	₱—
Increase in authorized capital stock	25,000,000,000	2,500,000,000	25,000,000,000	250,000,000	40,000,000,000	4,000,000,000	—	—
Balances at end of year	75,000,000,000	₱7,500,000,000	25,000,000,000	₱250,000,000	50,000,000,000	₱5,000,000,000	—	₱—
Issued and outstanding:								
Balances at beginning of year	34,373,050,000	₱3,437,305,000	—	₱—	10,000,000,000	₱1,000,000,000	—	₱—
Issuance of shares	15,700,000,000	1,570,000,000	19,404,202,552	194,042,026	24,373,050,000	2,437,305,000	—	—
Balances at end of year	50,073,050,000	₱5,007,305,000	19,404,202,552	₱194,042,026	34,373,050,000	₱3,437,305,000	—	₱—
	2024		2023					
Additional Paid-in Capital								
Balances at beginning of year	₱5,713,764,409		₱4,938,722,430					
From issuance during the year	14,080,252,604		775,041,979					
Balances at end of year	₱19,794,017,013		₱5,713,764,409					



### *IPO*

On December 17, 2021, the Parent Company completed its IPO and was listed in the PSE under the stock symbol “SPNEC”.

### *SRO*

On September 15, 2022, the Parent Company completed its SRO and issued 1,875,649,995 new common shares for a total consideration of ₱2,813.5 million or at ₱1.50 par value. The Parent Company offered the option to pay in installments, with a down payment of 25% and the balance of 75% within three (3) months of the offer period. This resulted in an additional paid-in capital of ₱2,591.4 million, net of transaction costs of ₱34.5 million.

On December 1, 2022, the Parent Company extended the payment period for partially paid Right Shares for a period of three (3) months, from December 5, 2022 to March 5, 2023.

As of December 31, 2024 and 2023, subscriptions receivable resulting from those that subscribed on installment payment amounted to ₱1.3 million.

### *Capital Infusion*

On June 1, 2023, the SEC approved the Parent Company’s application for increase in authorized capital stock from ₱1.0 billion divided into 10.0 billion common shares at ₱0.10 per share, to ₱5.0 billion divided into 50.0 billion common shares at ₱0.10 per share.

In 2023, the Parent Company received a total cash infusion from SP Project Holdings amounting to ₱3,212.3 million for the subscription of 24,373.05 million common shares. This resulted in an additional paid-in capital of ₱775.0 million and recognition of transaction costs of ₱34.9 million as direct charge against “Deficit” account in the consolidated statement of financial statement.

### *Increase in Authorized Capital Stock*

At its October 11, 2023 meeting, the BOD of the Parent Company approved the following:

- a. Amendment of its Articles of Incorporation to increase its authorized capital stock from 50 billion common shares with par value of ₱0.10 per share to 75 billion common shares with par value of ₱0.10 per share and 25 billion preferred shares with par value of ₱0.01 per share, divided into Class A preferred shares and Class B preferred shares.
  - i. The BOD shall determine: (a) the features of the Class A preferred shares (whether voting or non-voting) at each issuance of the Class A preferred shares; (b) the frequency of issuance of Class A preferred shares (which may be issued in one or more series), and (c) the preference as to redemption, dividends and other preferences for each issuance of Class A preferred shares. The Class A preferred shares shall not have pre-emptive rights over other issuances or re-issuance of preferred shares or common shares
  - ii. Class B preferred shares shall be (a) voting; (b) non-cumulative; (c) not entitled to any economic returns or dividends; (d) redeemable at the option of the Parent Company, at issue price, at such terms and conditions as may be determined by the BOD (and shall be immediately retireable upon redemption thereof); and (e) in the event of the liquidation, dissolution or winding up of the Parent Company (whether voluntary or involuntary), Class B preferred shares shall have preference over the common shares in respect of the assets of the Parent Company available for distribution after payment of the liabilities of the Parent Company;





- b. Authorization to execute an agreement for an investor to subscribe to shares in the Parent Company to support the above-mentioned increase in authorized capital stock.
- c. Conduct of a Follow-On Offering with an aim to support the expansion of the Parent Company's project portfolio and increase the public ownership of its shares.

These were subsequently approved by the stockholders of the Parent Company on December 4, 2023.

On December 6, 2023, the Parent Company filed its application for the aforementioned increase in authorized capital stock with the SEC which was approved by the SEC on January 17, 2024.

In 2023, the Parent Company paid filing fees amounting to ₱32.1 million, which was presented as "Deferred stock issuance cost" under "Other current assets" (see Note 7) as at December 31, 2023, and was charged against additional paid-in capital.

#### *Investment by MGreen*

On October 12, 2023, the Parent Company and SP Project Holdings entered into an Option Agreement with MGen which grants MGen the option to subscribe, out of the second increase in authorized capital stock, (i) 15.7 billion common shares with subscription price of ₱1.0 per share and (ii) 19.4 billion preferred shares with subscription price of ₱0.01 per share for a total subscription price of ₱15.9 billion. On the same date, MGen, by virtue of a Deed of Assignment and Assumption, assigned all its rights and obligations under the Option Agreement to MGreen. On November 30, 2023, the Parent Company executed the related Subscription Agreement with MGreen.

On December 27, 2023, MGreen completed the acquisition of 50.53% voting equity interest of the Parent Company with the full payment of the common and redeemable voting preferred shares subscription price. On the same date, MGreen appointed its five (5) nominees in the BOD of SPNEC, out of the total nine (9) directors, while SP Project Holdings retained its two (2) appointed directors.

As of December 31, 2023, the Parent Company presented the cash subscription amounting to ₱15.9 billion as "Deposits for future stock subscription" under Equity in the consolidated statement of financial position. Upon the SEC's approval of the application for increase in authorized capital stock in January 2024, the Parent Company issued the 15.7 million common shares at subscription price of ₱1.0 per share and 19.4 billion preferred shares with subscription price of ₱0.01 per share. Consequently, the amount in excess of par value totaling to ₱14.1 billion is presented as additional paid-in capital, net of stock issuance costs amounting to ₱50.0 million.

On January 26, 2024, MGreen has acquired an additional 2.17 billion common shares or equivalent to ₱2.5 billion from SP Project Holdings, which increased MGreen's voting equity interest in the Parent Company to 53.66%.

On June 10, 2024, the BOD of the Parent Company approved the filing of its listing applications with the PSE covering a total of 40,073,050,000 common shares, which the PSE issued a notice of approval for the listing application on October 23, 2024. The shares were listed on March 6, 2025. Pursuant to Article V, Part A, Section 8 of the PSE Consolidated Listing and Disclosure Rules, as amended and shall be locked up and, therefore, not available for trading for 180 days or until September 2, 2025.



As of December 31, 2024 and 2023, the Parent Company has 31 and 25 common stockholders, respectively.

## 15. Costs of Sales and Services

	2024	2023	2022 (Six Months, see Note 2)
Depreciation and amortization (Note 8)	<b>₱376,205,760</b>	₱210,672,075	₱—
Insurance	<b>49,931,799</b>	26,389,038	—
Manpower services	<b>44,121,427</b>	25,163,828	—
Security services	<b>26,571,148</b>	12,569,952	—
Salaries, wages and employee benefits	<b>19,738,077</b>	11,123,826	—
Purchased power	<b>13,688,552</b>	9,410,093	—
Transmission and ancillary charges	<b>5,852,044</b>	5,795,782	—
Independent Electricity Market Operator of the Philippines ("IEMOP") market fees	<b>5,781,339</b>	5,595,317	—
Inventories issued (Note 6)	<b>3,158,135</b>	8,714,838	—
Rentals (Note 18)	<b>799,698</b>	6,731,915	—
Others	<b>18,063,804</b>	4,936,613	—
	<b>₱563,911,783</b>	₱327,103,277	₱—

## 16. General and Administrative Expenses

	2024	2023	2022 (Six Months, see Note 2)
Professional services	<b>₱1,323,251,871</b>	₱67,000,766	₱6,401,289
Taxes and licenses	<b>196,329,393</b>	40,924,882	6,848,628
Management fees (Note 13)	<b>76,680,607</b>	32,040,000	12,800,000
Bank charges	<b>43,151,121</b>	247,984	—
Interest on undeclared dividends (Note 2 )	<b>24,386,500</b>	12,543,468	—
Insurance	<b>5,728,985</b>	7,503,489	—
Depreciation and amortization (Note 8)	<b>3,530,910</b>	5,560,646	2,121,316
Rentals (Note 18)	<b>1,881,144</b>	8,252,107	—
Bid-related costs	<b>126,785</b>	7,499,277	2,598,033
Penalties and surcharges	—	6,180,173	1,819,212
Provision for (reversal of) provision for expected credit loss (Note 5)	<b>(3,653,777)</b>	756,172	—
Others (Note 27)	<b>63,562,952</b>	19,405,113	5,422,482
	<b>₱1,734,976,491</b>	₱207,914,077	₱38,010,960



In 2024, the Parent Company and TNI engaged a third party financial advisor in relation to the investment of Actis Rubyred (Singapore) Pte. Ltd. in Terra Solar (see Note 28). Total professional fees to the third party amounted to ₱1,219.8 million. The amount remains outstanding as of December 31, 2024 (see Note 11).

In 2024, Terra Solar incurred Registry of Deeds fees for its lease agreement with Terra Nueva amounting to ₱108.5 million lodged under “Taxes and licenses” account.

Others include employee-related costs, notarial fees, trust fees, utilities, representation, travel and transportation and other miscellaneous expenses.

## 17. Income Taxes

- a. A reconciliation between statutory income tax and effective income tax are as follows:

	2024	2023	2022 (Six Months, see Note 2)
Income tax benefit at statutory income tax rate	(₱84,443,098)	(₱1,280,445)	(₱4,170,289)
Adjustments for:			
Movements in unrecognized deferred income tax assets	145,111,477	31,893,033	8,254,469
Nondeductible expenses	59,537,953	3,078,311	377,665
Interest income subject to final tax	(43,921,182)	(2,384,139)	(744,149)
Income from ITH-registered activity	(2,492,280)	1,641,858	—
Nontaxable income	(151,715)	(3,583,334)	—
Transaction costs charged to APIC and retained earnings	—	(5,415,454)	(3,452,558)
	<b>₱73,641,155</b>	<b>₱23,949,830</b>	<b>₱265,138</b>

- b. The Group’s deferred income tax assets and liabilities presented in the consolidated statements of financial position are as follows:

	2024	2023
Deferred income tax assets	<b>₱9,291,007</b>	₱9,646,601
Deferred income tax liabilities	<b>(12,347,590,016)</b>	(4,086,521,200)



The components of the Group's recognized deferred tax assets and liabilities are as follows:

	2024	2023
Deferred income tax assets:		
Lease liabilities	<b>₱37,081,548</b>	₱37,081,548
Long-term receivables	<b>3,697,680</b>	3,626,393
Retirement benefit obligation	<b>107,224</b>	320,455
Contract liabilities	—	209,658
Others	<b>141,943</b>	145,936
	<b>41,028,395</b>	41,383,990
Deferred income tax liabilities:		
Revaluation of land	<b>(11,017,099,235)</b>	(2,756,030,419)
Intangible asset	<b>(1,326,189,164)</b>	(1,326,189,164)
ROU Assets	<b>(36,039,005)</b>	(36,039,006)
	<b>(12,379,327,404)</b>	(4,118,258,589)
	<b>(₱12,338,299,009)</b>	(₱4,076,874,599)

As of December 31, 2024, the Group has NOLCO for which no deferred income tax assets have been recognized as follows:

Period Incurred	Valid Until	Amount
January 1 to December 31, 2024	December 31, 2027	₱1,086,697,887
January 1 to December 31, 2023	December 31, 2026	224,836,886
July 1, 2022 to December 31, 2022	December 31, 2025	56,627,013
July 1, 2021 to June 30, 2022	June 30, 2027	172,229,330
January 1 to June 30, 2021	June 30, 2026	6,762,211
January 1 to December 31, 2020	December 31, 2025	7,162,169
		<b>₱1,554,315,496</b>

The movements in NOLCO are as follows:

	2024	2023
Balances at beginning of year	<b>₱479,212,138</b>	₱254,375,252
Additions	<b>1,086,697,887</b>	224,836,886
Application	<b>(11,594,529)</b>	—
Balances at end of year	<b>₱1,554,315,496</b>	₱479,212,138

No deferred tax asset was recognized on the carryforward benefits of NOLCO as of December 31, 2024 and 2023 as management estimates that there would be no sufficient future taxable income yet to allow all or part of the deductible temporary difference to be utilized prior to their expiration.

*Bayanihan to Recover as One Act (Bayanihan 2)*

On September 30, 2020, the BIR issued Revenue Regulations ("RR") No. 25-2020 implementing Section 4 (bbb) of Bayanihan 2 which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.



## 18. Leases

Lease liabilities as of December 31, 2024 and 2023 are as follows:

	2024	2023
Balances at beginning of year	<b>₱390,072,161</b>	₱303,138,420
Interest expense capitalized to CIP* (Note 8)	<b>10,030,450</b>	13,213,102
Interest expense	<b>17,179,901</b>	10,743,700
Payments	<b>(26,834,544)</b>	(18,526,228)
Additions through business combination under common control (Note 19)	—	98,120,014
Adjustments	—	(16,616,847)
Total lease liabilities	<b>390,447,968</b>	390,072,161
Current portion of lease liabilities	<b>25,399,496</b>	8,962,861
Noncurrent portion of lease liabilities	<b>₱365,048,472</b>	₱381,109,300

\*Incurred during the construction period

### *SPNEC as a lessee*

In 2019, the Parent Company entered into a land lease agreement with various landowners to develop solar farm projects in Peñaranda, Nueva Ecija for a total area of 95.8 hectares. The land was made available for use on January 1, 2019 with a one (1) year rent-free period plus 25-year term. Further, the lease is subject for renewal of 5 years upon mutual agreement by the parties.

On January 11, 2021, a Deed of Assignment was entered between the Parent Company, as the assignee, and SP Project Holdings, as the assignor, whereby, the latter assigned all of its rights and obligations under the September 6, 2016 lease agreement for certain parcels of land with a total area of 179.6 hectares in Peñaranda, Nueva Ecija. The Parent Company accepted and assumed all of the said rights and obligations thus assigned, in pursuance of the said Deed of Assignment. Further, as agreed by the parties, the lease of the updated total land area of 169.9 hectares commenced in March 2021.

In May 2021, the Parent Company entered into a land lease agreement with various landowners to develop solar farm projects in Peñaranda, Nueva Ecija for a total land area of 81.75 hectares. The land was made available for use on the execution date of the contract with a one (1) year rent-free period plus 25-year term. Further, the lease is subject for renewal of five (5) years upon mutual agreement by the parties.

As of April 11, 2025, leased land that have DAR Orders equal to 352.42 hectares of leased land, of which 169.9 hectares of leased land have DAR Certificate of Finality Order.

### *SP Tarlac as a lessee*

SP Tarlac has lease contracts for various items of land and other equipment used in its operations. SP Tarlac's obligations under its leases are secured by the title to the leased assets. Generally, SP Tarlac is restricted from assigning and subleasing the leased assets and some contracts require SP Tarlac to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.



Set out below are the amounts recognized in the consolidated statements of income:

	2024	2023	2022 (Six Months, see Note 2)
Interest accretion of lease liabilities	<b>₱17,179,901</b>	₱10,743,700	₱4,532,695
Amortization of ROU assets	<b>15,422,011</b>	9,982,698	2,584,193
Expenses relating to leases of low-value assets in:			
Costs of sales and services (Note 15)	<b>799,698</b>	6,731,915	—
General and administrative expenses (Note 16)	<b>1,881,144</b>	8,252,107	—
Total amounts recognized in the consolidated statements of income	<b>₱35,282,754</b>	₱35,710,420	₱7,116,888

## 19. Business Combination of Entities under Common Control

### *Acquisition of Solar Philippines Assets*

On February 24, 2022, the BOD of the Parent Company approved the acquisition of 100% of the outstanding shares of SP Project Holdings and affiliates in the Solar Philippines Assets.

On May 5, 2023, the BOD of the Parent Company approved the modified acquisition by the Parent Company of 100% of the shares of SP Project Holdings in various Solar Philippines Assets to be at cost and paid in cash using the proceeds the Parent Company received from the subscription of SP Project Holdings of 24.37 billion common shares of the Parent Company.

On May 15, 2023, SPNEC entered into a Contract to Sell Shares with SP Project Holdings and Individual Stockholder (“Sellers”) for the Parent Company to purchase Sellers’ rights, titles, and interests in and to the Solar Philippines Assets, using the proceeds of SP Project Holdings’s subscription of 24.37 billion of the Parent Company’s common shares, premised on the approval of the Parent Company’s first increase in authorized capital stock (see Note 14).

On the same date, SPNEC entered into DOASS with SP Project Holdings for the former to purchase the latter’s rights, titles, and interests in SP Tarlac and SP Rooftop for a total purchase price of ₱2,342.4 million.

On June 9, 2023, the Parent Company entered into another DOASS with SP Project Holdings for the former to purchase the latter’s rights, titles, and interests in and to the following Solar Philippines Assets for a total purchase price of ₱80.0 million.

- SP Batangas
- SP Batangas Baseload
- SP Central Luzon
- SP Central Visayas
- SP Eastern
- SP Retail
- SP South Luzon



- SP Southern Mindanao
- SP Southern Tagalog
- SP Tarlac Baseload
- SP Visayas
- SP Western
- Laguna Rooftop
- Terra Solar

On June 29, 2023, the Parent Company entered into a DOASS with SP Project Holdings for the former to purchase the latter's rights, titles, and interests in and to SP Calatagan for a purchase price of ₱502.8 million. Consequently, on November 20, 2023, SPNEC entered into a DOASS with the Individual Stockholder to acquire the latter's rights, titles, and interests in and to SP Calatagan for ₱249.9 million.

On November 9, 2023, the Parent Company entered into a Deed of Donation and Acceptance with Countryside for the latter to cede, transfer and convey SP Holdings shares by way of donation, including any and all liabilities and obligations attached to such shares.

Leandro L. Leviste is the major shareholder of SP Project Holdings and Countryside.

Prior to the transactions, the Parent Company has no existing interests in and to the Solar Philippines Assets. The aforementioned transactions resulted in SPNEC owning 100% interest in the Solar Philippines Assets, except for SP Calatagan, Laguna Rooftop and SP Central Luzon in which the Parent Company acquired 62%, 60%, and 1% interests, respectively, and excluding preferred shares in SP Tarlac.

The Parent Company acquired the Solar Philippines Assets through the transfer of shares with SP Project Holdings and Countryside. As the transactions were outside the scope of PFRS 3, the acquisitions and donation of shares were accounted for using the pooling-of-interests method. In applying the pooling-of-interests method, the assets and liabilities of acquired entities are taken into the merged business at their carrying value at their respective acquisition and donation dates. Likewise, no goodwill was recognized in the business combination of entities under common control (see Note 2).

In August 2024, the Parent Company has obtained the Certificates Authorizing Registration ("CARs") covering the shares of the assets transferred.

Name of entities to be transferred	Ownership % prior to acquisition of				SPNEC's interest after acquisition
	SP Project Holdings	Individual Stockholder	Countryside	SPNEC	
SP Calatagan	55.35	6.65	—	—	62
SP Tarlac	100	—	—	—	100
SP Rooftop	100	—	—	—	100
SP Batangas	100	—	—	—	100
SP Batangas Baseload	100	—	—	—	100
SP Central Visayas	100	—	—	—	100
SP Eastern	100	—	—	—	100
SP Retail	100	—	—	—	100
SP Southern Mindanao	100	—	—	—	100
SP Southern Tagalog	100	—	—	—	100
SP South Luzon	100	—	—	—	100
SP Tarlac Baseload	100	—	—	—	100
SP Visayas	100	—	—	—	100
SP Western	100	—	—	—	100
SP Holdings	—	—	100	—	100
Laguna Rooftop	60	—	—	—	60



Details of the balances of the Solar Philippines Assets which were consolidated to the Group at the respective acquisition and donation dates are as follows:

<b>Assets</b>	
Cash and cash equivalents	₱187,150,952
Trade receivables	413,076,781
Inventories	24,055,051
Due from related parties	265,952,000
Other current assets	648,137,129
Property, plant and equipment	
At cost	8,022,735,408
At revalued amount	3,775,546,200
Deposits for land acquisition	434,194,156
Deferred income tax assets - net	1,107,678
Other noncurrent assets	559,216,378
	14,331,171,733
<b>Liabilities</b>	
Trade and other payables	542,958,643
Other current liabilities	122,494,306
Long-term debt	3,262,805,527
Lease liabilities	98,120,014
Dividends payable	61,570,424
Due to related parties	666,408,376
Deferred income tax liabilities - net	748,221,668
Other noncurrent liabilities	105,898,267
	5,608,477,225
<b>Total Identifiable Net Assets</b>	8,722,694,508
Less: Non-controlling interests	2,794,016,096
Other comprehensive income closed to Revaluation surplus	2,226,398,078
Other comprehensive income closed to Deficit	736,450
	3,701,543,884
Consideration paid	3,175,788,740
<b>Equity reserve</b>	₱525,755,144

From acquisition dates to December 31, 2023, the contribution of the acquired Solar Philippines Assets to revenue and net loss are as follows:

Revenue from contracts with customers	₱637,329,666
Costs of sales and services	(327,103,279)
Gross profit	310,226,387
General and administrative expenses	(70,217,345)
Finance costs	(157,434,925)
Interest income	22,876,610
Other income - net	22,292,474
Net income	₱127,743,201
<b>Net income (loss) attributable to:</b>	
Equity holders of the Parent Company	(₱113,106,799)
Non-controlling interests	240,850,000
	₱127,743,201





If the transactions had taken place at the beginning of 2023, the contribution of the Solar Philippines Assets to revenue and net loss would have been ₱1,154.7 million and ₱22.9 million, respectively.

Consideration transferred was paid in cash on the respective acquisition dates of the subsidiaries. Net cash outflow on acquisition is as follows:

Cash consideration	₱3,175,788,740
Less: cash acquired with the subsidiaries <sup>1</sup>	(187,150,952)
Net cash outflow	₱2,988,637,788

<sup>1</sup>Included in cash flows from investing activities

## 20. Group Restructuring

### a. Acquisition of controlling interest in Terra Solar from Prime Infrastructure, Inc. (“Prime Infra”)

On December 11, 2023, the Parent Company acquired the 50.01% interest in Terra Solar for ₱6,000.0 million from its original partner in said project. Thereafter, Terra Solar became a wholly owned subsidiary of the Parent Company.

Prior to the acquisition, the Parent Company has 49.99% interest in Terra Solar and Prime Infra has 50.01% interest in Terra Solar. The aforementioned acquisition resulted to the Parent Company owning 100% equity interest in Terra Solar. The transaction was accounted for using the acquisition method under PFRS 3, *Business Combination*.

As allowed by PFRS Accounting Standards, the Group has provisionally assessed the fair values of the assets acquired and liabilities assumed as of December 31, 2023. The provisional fair values will be adjusted within one year from the acquisition date once relevant information has been obtained. On December 1, 2024, the Group has finalized the fair values of the assets acquired and liabilities assumed. No changes were made to the fair values that were provisionally determined in 2023.

The Group remeasured its previously held interest in Terra Solar based on the provisional fair value which resulted in a remeasurement gain of ₱5,964.0 million presented as part of “Other income (charges) - net” in the 2023 consolidated statement of income.

Details of the provisional fair values of the identifiable net assets of Terra Solar which were consolidated to the Group at December 11, 2023 are as follows:

<b>Assets</b>	
Cash and cash equivalents	₱1,276,287
Other current assets	4,192,447
Project development costs	75,062,130
Intangible assets	13,261,891,642
Other noncurrent assets	3,334,133
	13,345,756,639
<b>Liabilities</b>	
Trade and other payables	5,487,317
Deferred tax liability	1,326,189,164
Due to related parties	33,988,926
	1,365,665,407
<b>Total Identifiable Net Assets</b>	11,980,091,232
Consideration	11,990,045,616
<b>Goodwill</b>	₱9,954,384



The cost of the business combination is made up as follows:

Cash paid to Prime Infra	₱6,000,000,000
Fair value of equity interest in Terra Solar prior to business combination	5,990,045,616
<b>Total consideration</b>	<b>₱11,990,045,616</b>

Goodwill arose in the acquisition of Terra Solar because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefits of expected synergies and future market growth. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Net cash outflow on acquisition is as follows:

Cash consideration	₱6,000,050,374
Less: cash acquired with the subsidiaries <sup>1</sup>	(1,276,287)
<b>Net cash outflow</b>	<b>₱5,998,774,087</b>

<sup>1</sup> Included in cash flows from investing activities

No profit and loss for the year was attributable to the additional business generated by Terra Solar. If the business combination had taken place at the beginning of 2023, Terra Solar would have contributed a net loss that will reduce the Group's net income by ₱3.3 million. As of April 11, 2025, Terra Solar has not yet started its commercial operations.

*b. Transfer of ownership interest in investees to SP Project Holdings*

Pursuant to the Option Agreement executed by and among the Parent Company, SP Project Holdings and MGreen (as assignee of MGen under the Deed of Assignment and Assumption), the Parent Company has the right and option to require SP Project Holdings to purchase certain assets comprising of shares in the Parent Company's subsidiaries, excluding SP Calatagan, SP Tarlac, Terra Nueva, Terra Solar and SP Holdings (the "Put Option").

On September 3, 2024, the Parent Company executed a Deed of Absolute Sale of Shares with SP Project Holdings to sell the Parent Company's shares in the following entities ("Subject Companies") for ₱80.0 million.

- SP Rooftop
- SP Batangas
- SP Batangas Baseload
- SP Central Luzon
- SP Visayas
- SP Eastern
- SP Retail
- SP South Luzon
- SP Southern Mindanao
- SP Southern Tagalog
- SP South Luzon



- SP Tarlac Baseload
- SP Visayas
- SP Western
- Laguna Rooftop

As a result of the exercise of the Put Option, the Subject Companies' accounts have been deconsolidated from the Group's consolidated financial statements as at September 3, 2024 as follows:

<b>Assets</b>	
Cash and cash equivalents	₱9,849,636
Trade and other receivables	153,340,821
Inventories	23,759,443
Due from related parties	62,598,904
Other current assets	13,863,975
Property, plant and equipment	324,584,373
Deferred income tax assets	355,594
Other noncurrent assets	14,354,595
	<u>602,707,341</u>
<b>Liabilities</b>	
Trade and other payables	353,135,004
Due to related parties	106,685,974
<b>Equity</b>	
Remeasurement gain on retirement benefits	1,503,064
	<u>461,324,042</u>
<b>Total Identifiable Net Assets</b>	<u><u>₱141,383,299</u></u>

As a result of the sale to SP Project Holdings, the Group has fully divested its interest in the Subject Companies which resulted in a loss on deconsolidation amounting to ₱95.9 million, after considering the effects of equity reserve and non-controlling interest, recognized under "Other income (charges) - net" in the 2024 consolidated statement of income.

Net cash inflow on the sale is as follows:

Cash consideration	₱79,994,000
Less: cash surrendered by the subsidiaries <sup>1</sup>	(9,849,636)
<b>Net cash inflow</b>	<u><u>₱70,144,364</u></u>

<sup>1</sup>Included in cash flows from investing activities

## 21. Financial Instruments and Financial Risk Management

### Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents (excluding cash on hand), trade receivables, subscriptions receivable, short-term investments and bonds (under other current assets), long-term receivables (under other noncurrent assets) and due to and from related parties, trade and other payables (excluding statutory liabilities), long-term debt 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 and credit risks from the uses of its financial instruments. The BOD reviews and approves the policies for managing this risk as summarized below:

#### 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.

#### *Cash and cash equivalents (excluding cash on hand)*

The Group applies the low credit risk simplification for cash and cash equivalents. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

#### *Trade receivables*

One of the Group's sale of electricity is with National Transmission Corporation ("TransCo"), a government-owned and controlled corporation, which accounts for 21% of the total trade receivables. Any failure on the part of TransCo to pay their obligations to the Group would significantly affect the Group's business operations. As a practice, the Group monitors closely its collections from TransCo and may charge interest on delayed payments following the provision of the REPA. Receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant.

#### *Due from related parties and Bonds*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The credit quality is further classified and assessed by reference to historical information about each of the counterparty's historical default rates. Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, the Group has assessed that the outstanding balances are exposed to low credit risk. ECL on these balances have therefore been assessed as insignificant.

With respect to the credit risk arising from other financial assets, the Group's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments. The Group's cash and cash equivalents (excluding cash on hand), trade and other receivables, subscriptions receivable, due from related parties, short-term investments and bonds (under other current assets) and long-term receivables (under other noncurrent assets) amounted to ₱6,919.9 million and ₱11,454.3 million as of December 31, 2024 and 2023, respectively.



### Credit Quality of Financial Assets

Financial assets are classified as high grade if the counterparties are not expected to default in settling their obligations. Thus, the credit risk exposure is minimal. These counterparties normally include customers, banks and related parties who pay on or before due date. Financial assets are classified as a standard grade if the counterparties settle their obligation with the Group with tolerable delays. Low grade accounts are accounts, which have probability of impairment based on historical trend. These accounts show propensity of default in payment despite regular follow-up actions and extended payment terms. As of December 31, 2024 and 2023, financial assets categorized as neither past due nor impaired are viewed by management as high grade, considering the collectability of the receivables and the credit history of the counterparties. Meanwhile, past due but not impaired financial assets are classified as standard grade.

With respect to the credit risk arising from other financial assets of the Group, which comprise of cash and cash equivalents (excluding cash on hand), trade and other receivables, subscriptions receivable, short term investments and bonds (under other current assets), due from related parties, and long-term receivables (under other noncurrent assets), the Group's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments.

As of December 31, 2024 and 2023, the aging analysis per class of financial assets that were past due is as follows:

### December 31, 2024

	Neither past due nor impaired	Past due but not impaired			Impaired	Total
		Less than 30 days	30 to 60 days	More than 60 days		
<i>(In Thousand Pesos)</i>						
Cash and cash equivalents <sup>1</sup>	₱5,538,434	₱—	₱—	₱—	₱—	₱5,538,434
Trade and other receivables	290,041	—	—	—	75	290,116
Subscriptions receivable	1,319	—	—	—	—	1,319
Short term investments <sup>2</sup>	588,671	—	—	—	—	588,671
Bonds <sup>2</sup>	35,267	—	—	—	—	35,267
Due from related parties	147,156	—	—	—	—	147,156
Long-term receivables <sup>3</sup>	318,978	—	—	—	—	318,978
	<b>₱6,919,866</b>	<b>₱—</b>	<b>₱—</b>	<b>₱—</b>	<b>₱75</b>	<b>₱6,919,941</b>

<sup>1</sup>Excludes cash on hand

<sup>2</sup>Included under other current assets

<sup>3</sup>Included under other noncurrent assets

### December 31, 2023

	Neither past due nor impaired	Past due but not impaired			Impaired	Total
		Less than 30 days	30 to 60 days	More than 60 days		
<i>(In Thousand Pesos)</i>						
Cash and cash equivalents <sup>1</sup>	₱10,040,120	₱—	₱—	₱—	₱—	₱10,040,120
Trade and other receivables	286,288	—	—	—	69,596	355,884
Subscriptions receivable	1,319	—	—	—	—	1,319
Short term investments <sup>2</sup>	575,810	—	—	—	—	575,810
Bonds <sup>2</sup>	35,267	—	—	—	—	35,267
Due from related parties	126,920	—	—	—	—	126,920
Long-term receivables <sup>3</sup>	318,978	—	—	—	—	318,978
	<b>₱11,384,702</b>	<b>₱—</b>	<b>₱—</b>	<b>₱—</b>	<b>₱69,596</b>	<b>₱11,454,298</b>

<sup>1</sup>Excludes cash on hand

<sup>2</sup>Included under other current assets

<sup>3</sup>Included under other noncurrent assets



### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objectives to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking adverse effect to the Group's credit standing.

The Group Manages liquidity risk by maintaining a balance between continuity of funding and flexibility. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows.

The tables below summarize the maturity profile as of December 31, 2024 and 2023 of the Group's financial assets used for liquidity purposes based on contractual undiscounted cash flows, and financial liabilities based on contractual undiscounted payments:

December 31, 2024					
	On Demand	< 1 Year	1 to 5 Years	More than 5 Years	Total
<i>(In Thousand Pesos)</i>					
<b>Financial assets at amortized cost:</b>					
Cash and cash equivalents <sup>1</sup>	₱5,538,434	₱—	₱—	₱—	₱5,538,434
Trade and other receivables	290,041	—	—	—	290,041
Short-term investments <sup>2</sup>	588,671	—	—	—	588,671
Subscription receivable	1,319	—	—	—	1,319
Bonds <sup>2</sup>	35,267	—	—	—	35,267
Due from related parties	147,156	—	—	—	147,156
Long-term receivables <sup>3</sup>	—	—	318,978	—	318,978
	₱6,600,888	₱—	₱318,978	₱—	₱6,919,866
<b>Financial liabilities at amortized cost:</b>					
Trade and other payables <sup>4</sup>	₱15,194	₱2,162,885	₱—	₱—	₱2,178,079
Short-term loans	7,200,000	—	—	—	7,200,000
Due to related parties	386,862	—	—	—	386,862
Lease liabilities <sup>5</sup>	—	28,855	120,320	652,749	801,924
Long-term debt <sup>5</sup>	—	235,890	2,493,790	—	2,729,680
	₱7,602,056	₱2,427,630	₱2,614,110	₱652,749	₱13,296,545

<sup>1</sup>Excludes cash on hand

<sup>2</sup>Included under other current assets

<sup>3</sup>Included under other noncurrent assets

<sup>4</sup>Excludes statutory liabilities

<sup>5</sup>Includes future interest payments

December 31, 2023					
	On Demand	< 1 Year	1 to 5 Years	More than 5 Years	Total
<i>(In Thousand Pesos)</i>					
<b>Financial assets at amortized cost:</b>					
Cash and cash equivalents <sup>1</sup>	₱10,040,120	₱—	₱—	₱—	₱10,040,120
Trade and other receivables	191,893	94,395	—	—	286,288
Short-term investments <sup>2</sup>	575,810	—	—	—	575,810
Subscription receivable	1,319	—	—	—	1,319
Due from related parties	126,920	—	—	—	126,920
Bonds <sup>2</sup>	36,037	—	—	—	36,037
Long-term receivables <sup>3</sup>	—	—	318,978	—	318,978
	₱10,972,099	₱94,395	₱318,978	₱—	₱11,385,472
<b>Financial liabilities at amortized cost:</b>					
Trade and other payables <sup>4</sup>	₱—	₱323,732	₱—	₱—	₱323,732
Due to related parties	608,443	—	—	—	608,443
Lease liabilities <sup>5</sup>	—	23,527	128,834	677,113	829,474
Long-term debt <sup>5</sup>	—	374,150	1,554,450	1,205,950	3,134,550
	₱608,443	₱721,409	₱1,683,284	₱1,883,063	₱4,896,199

<sup>1</sup>Excludes cash on hand

<sup>2</sup>Included under other current assets

<sup>3</sup>Included under other noncurrent assets

<sup>4</sup>Excludes statutory liabilities

<sup>5</sup>Includes future interest payments



### 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 (excluding cash on hand), Trade and other receivables, Subscriptions receivables, Bonds and short-term investments (under other current assets), Long-term receivables (under other noncurrent assets), Trade and other payables (excluding statutory liabilities, Short-term loans, and Due to and from related parties.*

The carrying amounts of these financial instruments approximate their fair values due to their short-term maturities.

### *Long-term Receivables*

The fair value of long-term receivables was computed by discounting the expected cash flows using the applicable rate.

### *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 rates for similar types of loans adjusted for credit risk (Level 3 of the fair value hierarchy).

### *Lease Liabilities*

The fair values for the Group's lease liabilities are estimated using the discounted cash flow methodology adjusted for credit risk (Level 3 of the fair value hierarchy).

### Capital Management

The Group manages its capital structure and makes adjustments to it, in light of changes in business and economic conditions. To maintain or adjust the capital structure, the Group may issue new shares. No significant changes have been made in the objectives, policies and processes of the Group for the for the nine-month periods ended December 31, 2024 and 2023.

The Group considers the following as its core capital:

	2024	2023
Common stock	<b>₱5,007,305,000</b>	₱3,437,305,000
Additional paid-in capital	<b>19,794,017,013</b>	5,713,764,409
Equity reserve	<b>688,902,762</b>	525,755,142
Revaluation surplus	<b>33,051,297,709</b>	8,268,091,263
Retained earnings	<b>3,942,292,359</b>	5,546,151,067
Deposit for future stock subscription	—	15,894,042,026
	<b>₱62,483,814,843</b>	₱39,385,108,907

The Parent Company and its subsidiaries, except for SP Calatagan and SP Tarlac, are not subject to any externally imposed capital requirement. SP Calatagan and SP Tarlac were able to meet their capital management objectives as of December 31, 2024 (see Note 12).



## 22. Basic/Diluted Loss Per Share

The basic/diluted loss per share amounts were computed as follows:

	2024	2023	2022 (Six Months, see Note 2)
(a) Net income (loss) attributable to equity holders of the Parent Company	(P1,603,858,708)	P5,706,730,751	(P40,409,833)
(b) Weighted average number of common shares outstanding	50,073,050,000	24,217,612,500	9,374,783,335
Basic/diluted earnings (loss) per share (a/b)	(P0.0320)	P0.2356	(P0.0043)

The Group does not have any dilutive potential common shares for the years ended December 31, 2024 and 2023 and the six-month period ended December 31, 2022.

## 23. Significant Laws

### Renewable Energy Act of 2008

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

The Act aims to:

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





As provided in the Act, 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 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 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.

As provided in the Act, all manufacturers, fabricators and suppliers of locally-produced RE equipment and components duly recognized and accredited by the DOE, in consultation with DOST, DOF and DTI, shall, upon registration with the BOI, be entitled to the privileges set forth under this section:

- i. Tax and Duty-free Tax and Duty-free Importation of Components, Parts and Materials. – All shipments necessary for the manufacture and/or fabrication of RE equipment and components shall be exempted from importation tariff and duties and value added tax: *Provided, however*, That the said components, parts and materials are: (i) not manufactured domestically in reasonable quantity and quality at competitive prices; (ii) directly and actually needed and shall be used exclusively in the manufacture/fabrication of RE equipment; and (iii) covered by shipping documents in the name of the duly registered manufacturer/fabricator to whom the shipment will be directly delivered by customs authorities: *Provided, further*, That prior approval of the DOE was obtained before the importation of such components, parts and materials;
- ii. Tax Credit on Domestic Capital Components, Parts and Materials. – A tax credit equivalent to one hundred percent (100%) of the amount of the value-added tax and customs duties that would have been paid on the components, parts and materials had these items been imported shall be given to an RE equipment manufacturer, fabricator, and supplier duly recognized and accredited by the DOE who purchases RE components, parts and materials from a domestic manufacturer: *Provided*, That such components, and parts are directly needed and shall be used exclusively by the RE manufacturer, fabricator and supplier for the manufacture, fabrication and sale of the RE equipment: *Provided, further*, That prior approval by the DOE was obtained by the local manufacturer;
- iii. Income Tax Holiday and Exemption. – For seven (7) years starting from the date of recognition/accreditation, an RE manufacturer, fabricator and supplier of RE equipment shall be fully exempt from income taxes levied by the National Government on net income derived only from the sale of RE equipment, machinery, parts and services; and
- iv. Zero-rated value added tax transactions – All manufacturers, fabricators and suppliers of locally produced renewable energy equipment shall be subject to zero-rated value added tax on its transactions with local suppliers of goods, properties and services.

Department Circular No. 2022-11-0034

In November 2022, the DOE issued Department Circular No. 2022-11-0034 which amends the Implementing Rules and Regulations of the Act. The amendment removes the nationality requirement imposed on the business engaged in the exploration, development, and utilization of solar, wind, hydropower and ocean energy, thereby allowing the entry of foreign capital into the country's renewable energy industry.



#### BIR Ruling OT-323-2021

On December 27, 2021, IEMOP released its guidelines and procedures for the implementation of the BIR Ruling OT-323-2021 published last August 24, 2021. Changes to Transco's FIT billing system/FIT revenue payment process are effective on January 2022 billing month and March 2022 payment date. A significant change brought about by the BIR ruling includes invoicing requirements whereby the ruling has recognized that the distribution utilities ("Dus") are the customers/ buyers of the electricity generated and sold by the RE developers, who are the generator/ seller, to the market. Therefore, the RE developers should issue the official receipts under the names of the Dus based on the settlement statements and payments/remittances made by the IEMOP payment facility.

#### Resolution Adopting the 2023 Revised Rules for the Issuance of Certificates of Compliance ("COCs") for Generation Facilities

On October 12, 2023, ERC published Resolution No. 2023-17 that outlines the revised rules on application for COC and the standards, requirements and procedures for its issuance. Article IX Transitory Provisions of the resolution stated that for existing generation facilities with pending application for renewal of COC filed before the ERC, the validity period of such COC is extended until 2024, and the date of which shall be the day and month of its original expiry. Generation facilities with issued Provisional Authority to Operate ("PAO"), the validity period of such PAO is extended until 2024, and the date of which shall be the day and month of its original expiry. After which the generation company shall apply for issuance of COC or PAO not later than 60 calendar days prior to the expiration of the extended validity period.

---

## **24. Operating Segment Information**

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment revenue and segment expenses are measured in accordance with PFRS Accounting Standards. The classification of segment revenue is consistent with the unaudited interim condensed consolidated statement of income. Segment expenses pertain to the costs and expenses presented in the unaudited interim condensed consolidated statement of income excluding interest expense and financing charges, depreciation and amortization expense and income taxes which are managed on a per company basis.

The Group has only one geographical segment as all of its operating assets are currently located in the Philippines. The Group operates and derives principally all of its revenue from domestic operations. Thus, geographical business information is not required.



Financial information on the business segments are summarized as follows:

December 31, 2024						
	SPNEC	SP Calatagan	SP Tarlac	Others	Adjustments*	Total
Segment revenue	P–	P722,876,607	P469,113,095	P–	P8,144,483	P1,200,134,185
Segment expenses	(1,372,834,238)	(146,133,642)	(137,292,271)	(261,220,220)	(6,368,776)	(1,923,849,147)
Segment results	(1,372,834,238)	576,742,965	331,820,824	(261,220,220)	1,775,707	(723,714,962)
Interest income	299,627,656	24,653,742	14,340,884	4,590,467	346,894	343,559,643
Finance costs	(9,501,770)	(94,762,290)	(166,064,788)	(11,870,349)	–	(282,199,197)
Depreciation and amortization	(5,209,905)	(189,612,460)	(179,571,635)	(2,402,005)	–	(376,796,005)
Other income (expense)	(100,436,396)	(2,711,240)	109,575	396,962,265	(348,291,238)	(54,367,034)
Net income (loss) before tax	(1,188,354,653)	314,310,717	634,860	126,060,158	(346,168,637)	(1,093,517,555)
Benefit from (provision for) income tax	–	(42,293,283)	–	(31,347,870)	–	(73,641,153)
Net income (loss)	(P1,188,354,653)	P272,017,434	P634,860	P94,712,288	(P346,168,637)	(P1,167,158,708)

\*Pertains to eliminating entries and other consolidation adjustments

December 31, 2023							
	SPNEC	SP Calatagan	SP Tarlac	SP Rooftop	Others	Adjustments*	Total
Segment revenue	P–	P351,071,791	P265,601,831	P20,656,044	P–	(P1,878,449)	P635,451,217
Segment expenses	(125,535,724)	(66,399,849)	(78,703,955)	(26,839,415)	(23,907,693)	2,604,000	(318,782,636)
Segment results	(125,535,724)	284,671,942	186,897,876	(6,183,371)	(23,907,693)	725,551	316,668,581
Interest income	7,104,690	14,324,506	8,050,936	500,357	12,958	–	29,993,447
Finance costs	(9,241,144)	(51,304,308)	(106,130,617)	–	(555,952)	–	(167,232,021)
Depreciation and amortization	(5,209,905)	(99,711,981)	(110,544,227)	(768,608)	–	–	(216,234,721)
Other income (expense)	28,805,035	(4,456)	679,563	17,719,875	2,604,036	5,958,531,242	6,008,335,295
Net income (loss) before tax	(104,077,048)	147,975,703	(21,046,469)	11,268,253	(21,846,651)	5,959,256,793	5,971,530,581
Benefit from (provision for) Income tax	(916,815)	(20,734,846)	23,055	(2,321,224)	–	–	(23,949,830)
Net income (loss)	(P104,993,863)	P127,240,857	(P21,023,414)	P8,947,029	(P21,846,651)	P5,959,256,793	P5,947,580,751

\*Pertains to eliminating entries and other consolidation adjustments



	December 31, 2024					
	SPNEC	SP Calatagan	SP Tarlac	Others	Adjustments*	Total
Current assets	₱7,742,038,032	₱854,152,911	₱525,701,423	₱2,342,350,266	(₱4,821,819,031)	₱6,642,423,601
Noncurrent assets	17,614,220,769	5,690,597,484	6,671,328,194	31,912,362,607	22,836,225,126	84,724,734,180
<b>Total</b>	<b>₱25,356,258,801</b>	<b>₱6,544,750,395</b>	<b>₱7,197,029,617</b>	<b>₱34,254,712,873</b>	<b>₱18,014,406,095</b>	<b>₱91,367,157,781</b>
Current liabilities	₱1,535,583,775	₱191,130,160	₱647,200,795	₱13,913,644,723	(₱6,245,437,198)	₱10,042,122,255
Noncurrent liabilities	275,269,195	1,322,340,073	2,169,293,680	15,915,206,704	(4,377,857,092)	15,304,252,560
<b>Total</b>	<b>₱1,810,852,970</b>	<b>₱1,513,470,233</b>	<b>₱2,816,494,475</b>	<b>₱29,828,851,427</b>	<b>(₱10,623,294,290)</b>	<b>₱25,346,374,815</b>

\*Pertains to eliminating entries and other consolidation adjustments

	December 31, 2023						
	SPNEC	SP Calatagan	SP Tarlac	SP Rooftop	Others	Adjustments*	Total
Current assets	₱12,224,875,406	₱696,287,698	₱487,397,004	₱258,298,000	₱191,704,735	(₱2,634,443,739)	₱11,224,119,104
Noncurrent assets	13,029,874,184	5,675,924,976	6,761,973,459	92,303,787	10,333,450,332	4,065,168,464	39,958,695,202
<b>Total</b>	<b>₱25,254,749,590</b>	<b>₱6,372,212,674</b>	<b>₱7,249,370,463</b>	<b>₱350,601,787</b>	<b>₱10,525,155,067</b>	<b>₱1,430,724,725</b>	<b>₱51,182,814,306</b>
Current liabilities	₱184,722,370	₱288,533,947	₱591,246,084	₱348,965,791	₱2,687,855,022	(₱2,634,443,739)	₱1,466,879,475
Noncurrent liabilities	286,519,338	1,403,366,474	2,299,906,373	—	1,979,978,479	1,326,189,164	7,295,959,828
<b>Total</b>	<b>₱471,241,708</b>	<b>₱1,691,900,421</b>	<b>₱2,891,152,457</b>	<b>₱348,965,791</b>	<b>₱4,667,833,501</b>	<b>(₱1,308,254,575)</b>	<b>₱8,762,839,303</b>

\*Pertains to eliminating entries and other consolidation adjustments



## 25. Changes in Liabilities Arising From Financing Activities

	December 31, 2023	Effect of Deconsolidation (Note 20)	Cash flows	Others	December 31, 2024
Due to related parties	₱608,442,826	(₱106,685,974)	(₱114,894,947)	₱—	₱386,861,905
Long-term debt	3,096,543,672	—	(372,883,029)	6,018,701	2,729,679,344
Short-term loans	—	—	7,200,000,000	—	7,200,000,000
Accrued interest	99,315,778	—	(216,311,429)	228,190,159	111,194,508
Lease liabilities	390,072,161	—	(26,834,544)	27,210,351	390,447,968
<b>Total liabilities from financing activities</b>	<b>₱4,194,374,437</b>	<b>(₱106,685,974)</b>	<b>₱6,469,076,051</b>	<b>₱261,419,211</b>	<b>₱10,818,183,725</b>

	December 31, 2022	Effect of Business Combination under Common Control (Note 19)	Cash flows	Others	December 31, 2023
Due to related parties	₱22,770,229	₱632,419,450	(₱114,724,705)	₱67,977,852	₱608,442,826
Long-term debt	—	3,262,805,527	(166,261,855)	—	3,096,543,672
Interest	—	79,627,929	(136,800,476)	156,488,325	99,315,778
Lease liabilities	303,138,420	98,120,014	(18,526,229)	7,339,956	390,072,161
<b>Total liabilities from financing activities</b>	<b>₱325,908,649</b>	<b>₱4,072,972,920</b>	<b>(₱436,313,265)</b>	<b>₱231,806,133</b>	<b>₱4,194,374,437</b>

## 26. Service Contracts with the DOE

The Group has the following Solar Energy Service Contracts (SESC), Solar Energy Operating Contracts (SEOC) and Wind Energy Service Contract (WESC) with the DOE.

### SPNEC

#### *Sta. Rosa Nueva Ecija 2 Solar Power Project (“NE 2 Project”)*

The Parent Company is developing a two-phase 500 MW<sub>p</sub> (“MW<sub>dc</sub>”) solar power plant located in Nueva Ecija and is divided into two (2) Phases. Solar Energy Service Contract (“SESC”) No. 2017-06-404 was assigned by an affiliate, SPCRPI on December 29, 2017. The assignment was approved by the DOE with the issuance of a new Certificate of Registration (“COR”) and a Certificate of Confirmation of Commerciality.

The first phase of the NE 2 Project is a 225 MW<sub>dc</sub> solar power plant (“Phase 1”) in Barangay Las Piñas, Peñaranda, Nueva Ecija with sub-phases of Phase 1A at 50 MW<sub>dc</sub> and Phase 1B at 175 MW<sub>dc</sub>. The Parent Company targets that Phase 1A shall be commissioned by mid-2024 while Phase 1B is planned to be commissioned by end of 2025. The second phase of the NE 2 Project is a 275 MW<sub>dc</sub> solar power plant (“Phase 2”).

The Parent Company began construction of Phase 1A on December 27, 2021 and is 61.09% complete as at December 31, 2024.



*Green Energy Auction Program (“GEAP”)*

On June 24, 2022, the Parent Company was awarded as one of the winning bidders by the DOE on its First Green Energy Auction Round. The Parent Company will supply the electricity from the 280MW<sub>dc</sub> NE 2 Project. The winning bids under the GEAP, which are expected to commence operations between 2023 and 2025, will be awarded 20-year power supply agreements. In 2022, the Parent Company submitted a surety bond as one of the requirements for the bidding process. Also, the Parent Company submitted a performance bond amounting to ₱2,765.8 million valid until August 1, 2024. This was renewed until November 26, 2025.

Total premiums paid were ₱3.0 million and ₱5.0 million in 2024 and 2023, respectively. The unamortized portion of the premium included as prepaid premium amounted to nil and ₱3.0 million as of December 31, 2024 and 2023, respectively (see Note 7).

SP Calatagan

SP Calatagan owns and operates a 63.4 MW<sub>ac</sub> solar photovoltaic (“PV”) facility situated in Calatagan, Batangas. It has an Energy Regulatory Commission (“ERC”) awarded Feed-in-Tariff (“FIT”) Certificate of Compliance (“COC”), which entitles SP Calatagan to a base FIT rate of ₱8.69 per kWh, subject to an annual escalation, to be approved by the ERC.

*WESC*

On December 23, 2019, SP Calatagan entered into WESC No. 2019-10-126 with the DOE granting SP Calatagan the exclusive right to explore, develop and utilize the wind energy resource with the contract area covering a total of 486 hectares. The WESC allows for five years non-extendable term for pre-development within which the developer should be able to declare commerciality.

A Certificate of Confirmation of Commerciality shall be issued by the DOE to affirm the declaration. The contract shall remain in force for the balance of a period of 25 years from the effective date. One year before the expiration of the initial 25-year period, SP Calatagan may submit to the DOE an extension of the WESC for another 25 years under the same terms and conditions so long as SP Calatagan is not in default of any material obligations under the WESC.

*GEAP*

On June 24, 2022, SP Calatagan was awarded as one of the winning bidders by the DOE on its First Green Energy Auction Round. SP Calatagan will supply the electricity from the 30 MW Calatagan Wind Project. The winning bids under the GEAP, which are expected to commence operations between 2023 and 2025, will be awarded 20-year power supply agreements. SP Calatagan submitted a performance bond amounting to ₱571.1 million valid until August 1, 2024 only.

SP Tarlac

*SESC*

On August 15, 2017, SPCRPI, an affiliate of SP Tarlac, entered into a SESC with the DOE granting SPCRPI the exclusive right to explore, develop and utilize the energy resource with the contract area covering a total of 646.0 hectares. The SESC allows for two years non-extendable term for pre-development within which the developer should be able to declare commerciality.

A Certificate of Confirmation of Commerciality shall be issued by the DOE to affirm the declaration. The contract shall remain in force for the balance of a period of 25 years from the effective date. One year before the expiration of the initial 25-year period, SP Tarlac may submit to the DOE an extension of the SESC for another 25 years under the same terms and conditions so long as SP Tarlac is not in default of any material obligations under the SESC.



On September 27, 2017, SPCRPI executed a Deed of Assignment transferring all its rights and obligations under the SESC No. 2017-07-442, including all of its annexes to SP Tarlac which has been approved. On October 6, 2017, the DOE acknowledged and approved the Deed of Assignment between SPCRPI and SP Tarlac. On that same day, the DOE issued a COR under the name of SP Tarlac as an RE Developer of Solar Energy Resources in Concepcion, Tarlac which covers SESC No. 2017-07-442.

On October 20, 2017, SP Tarlac issued its Declaration of Commerciality stating the commercial viability of the Tarlac 1A Project and was confirmed and approved by the DOE by issuing a Confirmation of Commerciality on December 6, 2017.

#### Terra Solar

##### *Terra Solar Project*

On May 27, 2024, the DOE awarded Terra Solar the SESC No. 2024-05-872 with a contract period of 25 years for the exclusive right to explore and develop the Terra Solar Project located in Gapan City, General Trio and Penaranda, Nueva Ecija and San Miguel and Dona Remedios, Bulacan. On the same date, the DOE issued the Certificate of Registration (“COR”) under the name of Terra Solar.

The Terra Solar Project is a 3,500 MW<sub>p</sub> solar project which comprises of 2,500 MW<sub>ac</sub> solar project and 1,125 MW Battery Energy Storage System (“BESS”). Terra Solar targets the Terra Solar Project to commence operations by February 2026.

On August 13, 2024, the BOI issued COR No. 2024-230 to Terra Solar in accordance with the Republic Act No. 9513, or the Renewable Energy Act of 2008.

In November 2024, Terra Solar began the construction of the Terra Solar Project.

##### *SESCs assigned to Terra Solar*

The following SESC were awarded to SPCRPI, an affiliate of Terra Solar.

<b>SESC No.</b>	<b>Award Date</b>	<b>Project Name</b>
2017-02-365	February 9, 2017	100 MW Iba-Palauig 1
2017-06-421	August 22, 2017	100 MW Maragondon-Naic 1
2017-06-407	August 22, 2017	140 MW San Ildelfonso, Bulacan
2017-06-405	August 22, 2017	140 MW San Rafael 1 Bulacan
2017-07-434	April 11, 2019	100 MW Santa Rosa Nueva Ecija

On June 30, 2021, SPCRPI executed a Deed of Assignment transferring all its rights and obligations to Terra Solar. On March 27, 2023, Terra Solar applied with the DOE for the approval of the assignment of the SESC. As of April 11, 2025, Terra Solar awaits the approval of DOE.





---

## 27. Contracts and Commitments

### SPNEC

#### *MOA between SP Project Holdings, Prime Infra and Prime Metro*

On February 9, 2023, the BOD of the Parent Company approved the MOAs between SP Project Holdings and Prime Infra for their joint ventures in Terra Solar, Solar Tanauan Corporation (“Solar Tanauan”), and SP Tarlac. The MOAs cover the following, among others:

- Redemption or purchase of preferred shares in SP Tarlac of Prime Metro by SP Tarlac or SP Project Holdings for ₱1.5 billion plus accrued dividends on or before March 31, 2024, which, with additional equity, would result in SP Project Holdings (or the Parent Company after the share swap) owning 100% of SP Tarlac. SP Tarlac has a PSA with Meralco for 85 MW<sub>ac</sub>, has secured over 140 hectares of land, and currently has 100 MW operating and 50 MW under construction.

Terms of the MOAs applied to the Parent Company upon the completion of its share swap with SP Project Holdings.

#### *Acquisition by SPNEC of Prime Infrastructure, Inc.’s 50.01% interest in Terra Solar*

In December 2023, the following were concluded as a result of the transaction (see Note 20):

- a. The Memorandum of Agreement with Release, Waiver and Quit Claim executed with Prime was terminated and cancelled.
- b. Deposit for future stock subscriptions totaling ₱26.0 million from each of Prime and SPNEC (as assigned by SP Project Holdings) were converted to additional paid-in capital with both parties executing an Agreement to Terminate agreements covering such deposits.
- c. Advances received from Terra Renewables Holdings, Inc., an affiliate, in 2023 amounting to ₱34.0 million were waived as a result of the Agreement to Terminate the Terra Solar Agreements entered into by Terra Solar, SPNEC, Prime Infra, Prime Metro Power Holdings Corporation and SP Project Holdings.

#### *Deed of Assignment between SP Project Holdings and SPNEC*

On May 16, 2023, a Deed of Assignment was entered between the Parent Company, as the assignee, and SP Project Holdings, as the assignor, whereby the latter assigned all its rights and obligations under the February 9, 2023 MOA with SP Project Holdings, Prime Infra, Prime Metro and SP Tarlac, including but not limited to SP Project Holdings’ right to purchase Prime Metro’s preferred shares in SP Tarlac on or before March 31, 2024. As of April 11, 2025, there have been no changes regarding SP Project Holdings right to purchase Prime Metro’s preferred shares in SP Tarlac.

#### *Renewable Power Supply Agreement with Angeles Electric Corporation (“AEC”)*

On February 7, 2022, the Parent Company secured a 10-year Offtake Agreement with AEC, distribution utility in Pampanga Province, under which the Parent Company will supply AEC 97.8 MWh daily, representing a portion of the NE 2 Project’s capacity to supply energy once completed. The Offtake Agreement awarded is for a term of ten (10) years commencing on March 26, 2023, or upon ERC approval, whichever comes later.



On January 23, 2023, the Parent Company and AEC jointly filed the PSA with the ERC. ERC issued an interim relief promulgated June 6, 2023, docketed August 30, 2024, and received by the parties on September 2, 2024. This interim relief is put in effect for a period of one year beginning November 26, 2024.

The Parent Company provided a performance bond in relation to the PSA with AEC amounting to ₱15.0 million valid until August 10, 2024. This was renewed until November 26, 2025.

As of December 31, 2024 and 2023, performance bond amounted to ₱15.0 million was presented as part of “Bonds” under “Other current assets” in the Parent Company statements of financial position (see Note 7).

*Supply of Replacement Power between Greentech Solar Energy, Inc. (GSEI), AEC and SPNEC*

The Parent Company entered into a supply of replacement power agreement with GSEI commencing November 26, 2024 and shall be effective until June 20, 2025 or until the Renewable Energy Power Agreement under the GEA-2 commences, whichever is later.

GSEI shall deliver replacement power to AEC from the 19.8MW Solar Power Facility located in Brgy. Pesa, Bongabon, Nueva Ecija, for and on behalf of the Parent Company at the price of ₱4.2380/kWh and in accordance with the nomination instruction of the AEC. Any difference in the cost of procurement of replacement power shall be billed and paid by the Parent Company.

*Exchangeable Note Facility Agreement between MGreen and SP Project Holdings*

On September 2, 2024, MGreen extended a loan to SP Project Holdings amounting to ₱6,700,000,050, to be repaid at maturity by 5.8 billion SPNEC common shares currently held by SP Project Holdings. An additional loan of ₱800.0 million will be extended to SP Project Holdings upon the occurrence of either:

- SPNEC’s Follow-on Offering or Equity Offering at a price per share equal to or greater than ₱1.45; or
- Terra Solar Sale at a price per share equal to or greater than the price implied by a 100% equity valuation of Terra Solar of ₱12,000.0 million.

On March 2025, MGen extended the additional ₱800.0 million loan to SP Project Holdings with the closing of the Investment Agreement with Actis in Terra Solar (see Note 28).

SP Calatagan

*Connection Agreement*

In 2015, the Connection Agreement was entered between SPCRPI, an affiliate of SP Calatagan, and National Grid Corporation of the Philippines (“NGCP”) wherein the Calatagan Solar Power Plant’s generation facility shall connect to NGCP’s transmission system. SPCRPI assigned to SP Calatagan all of its rights and obligations under this agreement through a deed of assignment executed on February 3, 2017. A copy of the Connection Agreement was sent to the NGCP on the same day.

*Transmission Service Agreement*

Transmission Service Agreement dated May 24, 2016 was entered between SPCRPI and NGCP for the 69 kilovolt (“kV”) line of NGCP along the Calatagan, Batangas area. SPCRPI assigned to SP Calatagan all of its rights and obligations under this agreement through a deed of assignment executed on February 3, 2017.



#### *Metering Service Agreement*

The Metering Service Agreement dated May 24, 2016 was entered between SPCRPI and NGCP wherein the latter is authorized to act as the metering service provider of the Calatagan Solar Power Plant which requires revenue metering facilities and services for measuring the energy consumed and/or generated by its grid-connected facilities. The term of the agreement started on February 26, 2016 and would expire on February 25, 2026, unless earlier terminated in accordance with the terms and conditions of the agreement. SPCRPI assigned to SP Calatagan all of its rights and obligations under this agreement through a deed of assignment executed on February 3, 2017.

The Connection Agreement, Transmission Agreement, and Metering Service Agreement of SP Calatagan with NGCP are governed by the rules, terms and conditions for the Provision of Open Access Transmission Service (“OATS”) rules, which govern the provision of transmission services to qualified grid users.

#### *FIT System*

FIT is an incentive scheme under the RE Act of 2009 to attract investments and hasten the deployment of renewable energy sources. FIT provides priority treatment to renewable energy developers in terms of connection to the grid, purchase and transmission of and payment for by grid operators, and a fixed premium rate for a specified period of time. On March 14, 2016, the DOE issued COE-FIT No. S-2016-03-05, which entitles SP Calatagan to a base FIT rate of ₱8.69 per kWh for 20 years as approved by ERC.

All eligible RE plants shall be entitled to the appropriate FITs as established and such FITs shall be paid by all on-grid electricity consumers in accordance with FIT system. An RE plant shall be deemed eligible upon issuance of COC authorizing to operate as FIT-eligible RE plant, subject to the term and conditions attached to it, among them, in compliance with the Philippine Grid Code (PGC) and other pertinent laws, rules and regulations of the ERC. SP Calatagan obtained its COC with No. 16-06-M-00072L from the ERC on June 29, 2016 valid from June 28, 2016 to June 27, 2021.

On June 24, 2021, SP Calatagan received a letter from the ERC granting a Provisional Authority to Operate (“PAO”) for a period of one year from June 28, 2021 to June 27, 2022. On August 28, 2022, the ERC grant an extension of PAO for a period of one year from June 28, 2022 to June 27, 2023, pending SP Calatagan’s compliance and submission of the necessary requirements. On August 15, 2023, ERC issued a certification for the second extension of PAO valid for a period of six months from the date of its issuance or until February 14, 2024. As of April 11, 2025, ERC is still in the process of evaluating the requirements for the renewal submitted by SP Calatagan.

On May 26, 2020, the ERC approved Resolution No. 06, Series of 2020 which adopted FIT rate adjustments, for the years 2016 to 2020 using 2014 as the base year for the consumer price index and foreign exchange. The said resolution was published in a newspaper of general circulation on November 17, 2020 and became effective 15 days after.

While waiting for the approval of the FIT rates for the years 2021 to 2023, management has assessed that the lower between the ERC approved 2020 FIT rates and the TransCo forecasted FIT rates for the years 2021 to 2023, represent the best estimate of the transaction price SP Calatagan will be entitled to in exchange of the delivered energy. It is expected that the adjusted FIT rates applicable for the years 2021 to 2023 will also be collected in arrears in accordance with the approval of the ERC.

As of December 31, 2024 and 2023, the long-term receivable from TransCo amounted to ₱319.0 million (see Note 10).



### *REPA*

On March 17, 2016, SP Calatagan and TransCo, designated as the FIT-All Fund Administrator, entered into a REPA. The REPA-0037 dated March 17, 2016 for the 63.359 MW<sub>p</sub> Calatagan Solar Power Plant was deemed effective as of July 4, 2016 through a letter signed by TransCo Officer-in-Charge. The REPA governs the rights and obligation of the parties in respect to the full payment of all actual renewable energy generation of SP Calatagan from March 11, 2016 to March 10, 2036, the period of SP Calatagan's FIT Eligibility Period.

### *WESM*

Under Section 30 of Electric Power Industry Reform Act ("EPIRA"), the ERC may authorize entities to become eligible as members, either directly or indirectly, of the WESM. All generating companies, distribution utilities, suppliers, bulk consumers/end-users and other similar entities authorized by the ERC, whether direct or indirect members of the WESM shall be bound by the WESM spot market rules with respect to transactions in the market.

On February 24, 2016, SP Calatagan registered with Philippines Electricity Market System ("PEMC") as Direct WESM Member and Trading Participant-Generator Category.

### *Energy Regulations No. 1-94 (ER 1-94)*

On March 10, 2016, SP Calatagan entered into a Memorandum of Agreement with the DOE for the establishment of Trust Accounts for Accrued Financial Benefits from the commercial operations of the 63.359 MW<sub>p</sub> Solar Power Plant. This is in compliance with the provision in the EPIRA under R.A. 9136 and more importantly to help recognize the contributions of the host communities and the people affected by the project thereby lessening conflict and promoting cooperation among the stakeholders. Under this agreement, SP Calatagan should set aside one centavo per kilowatt hour (₱0.01/kWh) of the total electricity sales as financial benefit to its host community.

In 2024 and 2023, benefits to host communities amounted to ₱0.8 million and ₱0.7 million, respectively, which is presented under "General and administrative expenses" in the consolidated statements of income (see Note 16).

### SP Tarlac

#### *PSAs with Meralco 75 MW to 85MW PSA*

On August 25, 2017, SP Tarlac entered into a PSA with Meralco for the sale of 75 MW up to 85 MW of electricity for a period of 20 years from the commencement date at a price of ₱2.9999 per kWh subject to 2% annual escalation. SP Tarlac received the final approval of the 85MW PSA from the ERC on March 4, 2019. In accordance with the PSA, the commencement is nine months from the receipt of the provisional approval from ERC which is on August 20, 2018. SP Tarlac and Meralco agreed that the Commercial Operation Date ("COD") of the Tarlac 1A Project was on September 26, 2020. SP Tarlac obtained its COC No. 19-09-M-00182L on September 12, 2019 from ERC.

In accordance with the provision of the 75 MW to 85 MW PSA, SP Tarlac shall supply or deemed supply replacement energy to Meralco from the provisional approval of the PSA on August 20, 2018 up to the COD of the Tarlac 1A Project.

As of December 31, 2024 and 2023, the current portion of the replacement energy cost payable were presented under "Trade and other payables" account amounted to ₱8.0 million and ₱12.2 million, respectively (see Note 11). As of December 31, 2024 and 2023, the noncurrent portion of replacement energy cost payable presented under "Other noncurrent liabilities" and amounted to ₱89.1 million and ₱95.4 million, respectively.



*50 MW PSA at ₱2.3456/kWh*

On August 17, 2018, Meralco awarded another PSA to SP Tarlac for the sale of 50 MW of electricity for a period of 20 years from the commencement date a price of ₱2.3456 per kWh subject to annual escalation rate of 16% starting on the 11<sup>th</sup> contract year. In March 2019, SP Tarlac and Meralco then jointly requested for the approval with the ERC. On December 4, 2024, SP Tarlac filed a motion to withdraw the application on grounds of the lapse of the long stop date. As of April 11, 2025, the Company is still waiting for the approval of ERC.

*Connection Agreement*

In 2017, SP Tarlac entered into Connection Agreement with NGCP where the former's Tarlac 1A solar power plant's generation facility shall connect to NGCP's transmission system valid until December 25, 2026.

*Transmission Service Agreement*

SP Tarlac has Transmission Service Agreement dated November 26, 2018 with NGCP for the 69 kV line of NGCP along the Concepcion, Tarlac area, which is valid until November 25, 2028.

*Metering Service Agreement*

SP Tarlac has a Metering Service Agreement with NGCP wherein the latter is authorized to act as the metering service provider of the Tarlac 1A Project which requires revenue metering facilities and services for measuring the energy consumed and/or generated by its grid-connected facilities. The agreement is valid until March 25, 2029, unless earlier terminated in accordance with the terms and conditions of the agreement.

*Energy Regulations No. 1-94*

On June 29, 2020 and January 20, 2021, SP Tarlac entered into Memorandum of Agreements with host communities in Brgy. Sta. Rosa and Municipality of Concepcion, Tarlac for the establishment of Trust Accounts for Accrued Financial Benefits from the commercial operations of the Tarlac 1A Project. This is in compliance with the provision in the EPIRA under R.A. 9136. Under this agreement, SP Tarlac should set aside one centavo per kilo watt hour (₱0.01/kWh) of the total electricity sales as financial benefit to the host communities. In 2024 and 2023, benefits to host communities amounted to ₱1.3 million and ₱2.5 million, respectively, which is presented under "General and administrative expenses" in the consolidated statements of income (see Note 16).

Terra Solar

*PSA with Meralco*

On October 24, 2022, Terra Solar entered into a PSA with Meralco to provide and sell electricity for 850 MW. This shall be delivered to Meralco into two phases: Phase 1 or 600 MW is scheduled to be delivered by February 26 2026, and the Phase 2 or 250 MW is scheduled to be delivered by February 26 2027. The PSA shall commence on the COD of Phase 1 and shall expire on the last day of the 20<sup>th</sup> year following the COD of Phase 2, renewable for additional period of up to one (1) year, at the option of Meralco.

On February 15, 2023, Terra Solar and Meralco filed a joint application of the PSA dated November 2, 2022 for the approval with the ERC. Terra Solar and Meralco obtained the ERC's approval of the PSA on August 18, 2023.



*Engineering, Procurement, and Construction (“EPC”) Contracts*

Summary of contracts executed by Terra Solar with various contractors in 2024 follows:

Date	Contract	Contract Price
March 1, 2024	Contract for Works	₱62.4 million
August 20, 2024	Contract for Engineering, Design, Supply, Construction, Testing and Commissioning for the Connection Assets	₱7.8 billion - onshore ₱6.7 billion (US\$116.9 million) - offshore
August 1, 2024	Contract for Engineering, Design, Supply, Construction, Testing and Commissioning of the 500k Transmission Lines and Associated Facilities	₱1.1 billion - onshore ₱1.6 billion (US\$28.4 million) - offshore
October 15, 2024	Early Works (“EW”) Agreement - West	₱17.4 million (US\$0.3 million) - offshore
October 17, 2024	EW Agreement - East	₱1.2 billion - onshore ₱558.0 million
November 18, 2024	EPC Contract - Offshore Works (West)	₱25.3 billion (US\$ 439.7 million)
November 18, 2024	EPC Contract - Onshore Works (West)	₱10.0 billion
November 29, 2024	EPC Contract - Offshore Works (East)	₱15.3 billion (US\$ 267.0 million)
November 29, 2024	EPC Contract – Onshore Works (East)	₱10.8 billion

*BESS Supply Agreement with Huawei International, Pte. Ltd. (“Huawei”)*

On November 30, 2024, Terra Solar and Huawei executed the contract to supply equipment for the BESS Project, subdivided into Phase 1 (3,313.75 MWh) and Phase 2 (1,202.97 MWh) with contract price of US\$358.1 million and US\$128.3 million, respectively.

On December 5, 2024, the parties executed a Service Agreement to provide installation and other equipment-related services for a contract price totaling to US\$21.7 million, exclusive of VAT.

## 28. Events After the Financial Reporting Date

*Investment by Actis Singapore*

On September 6, 2024, the Parent Company, Actis Singapore and Terra Solar executed a Share Subscription Agreement wherein Terra Solar will issue, out of the increase in authorized capital stock, shares (common and preferred) (the “Shares”) to Actis Singapore equivalent to 40% equity stake in Terra Solar for a total consideration of US\$600 million, subject to compliance with certain conditions, including securing the necessary government approvals on or before March 31, 2025.

Pursuant to the Shareholders’ Agreement executed on the same date, the BOD of Terra Solar shall consist of a maximum of five (5) directors, with each shareholder group having the right to appoint one director for every 20% of the shares it holds based on its shareholding percentage.

On March 17, 2025, Actis Rubyred (Singapore) Pte. Ltd. (“Actis Singapore”), through its wholly-owned subsidiary Actis Rubyred (Philippines) Holdings, Inc. (“Actis”), executed a subscription agreement with Terra Solar where Actis subscribed (i) 4,116,666 common shares with par value of one peso (₱1.00) per share and (ii) 398,200,000 redeemable preferred shares with par value of one peso (₱1.00) per share, for a total subscription price of ₱29.9 billion



As of April 11, 2025, Terra Solar is 60% owned by the Parent Company and 40% owned by Actis.

*OLSA*

In February 2025, Terra Solar signed a ₱150.00 billion, 15-year term OLSA with six (6) local banks, namely: BDO Unibank Inc., Bank of the Philippine Islands, Philippine National Bank, Security Bank Corporation, China Banking Corporation, and Metropolitan Bank & Trust Company (Metrobank). The OLSA will fund the ongoing development of its integrated solar PV facility and BESS.

BDO Capital & Investment Corporation served as lead arranger and bookrunner, while BDO Unibank Inc. Trust and Investments Group served as facility agent and security trustee.



## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES**

The Board of Directors and Stockholders  
SP New Energy Corporation  
Rockwell Business Center  
Ortigas Avenue, Brgy. Ugong  
Pasig City 1604, Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of SP New Energy Corporation, a subsidiary of MGen Renewable Energy, Inc., and its Subsidiaries (collectively referred to as "the Group") as at December 31, 2024 and 2023 and for the years ended December 31, 2024 and 2023 and for the six-month period ended December 31, 2022, included in this Form 17-A and have issued our report thereon dated April 11, 2025. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The schedules listed in the Index to Consolidated Financial Statements and the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with 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*

Leovina Mae V. Chu

Partner

CPA Certificate No. 99910

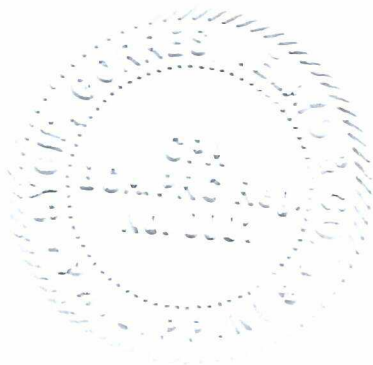
Tax Identification No. 209-316-911

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. 10465284, January 2, 2025, Makati City

April 11, 2025



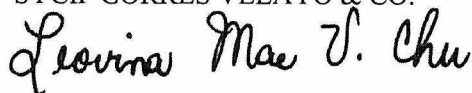


## **INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Board of Directors and Stockholders  
SP New Energy Corporation  
Rockwell Business Center  
Ortigas Avenue, Brgy. Ugong  
Pasig City 1604, Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements SP New Energy Corporation, a subsidiary of MGen Renewable Energy, Inc., and its Subsidiaries (collectively referred to as "the Group") as at December 31, 2024 and 2023 and for the years ended December 31, 2024 and 2023 and for the six-month period ended December 31, 2022, and have issued our report thereon dated April 11, 2025. 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 Components of 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 (PFRS) Accounting Standards 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 PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for the years ended December 31, 2024 and 2023 and for the six-month period ended December 31, 2022 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Leovina Mae V. Chu  
Partner

CPA Certificate No. 99910

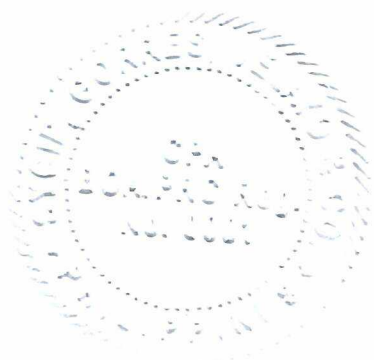
Tax Identification No. 209-316-911

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. 10465284, January 2, 2025, Makati City

April 11, 2025



# SP NEW ENERGY CORPORATION AND SUBSIDIARIES

(A Subsidiary of MGen Renewable Energy, Inc.)

## INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

### AND SUPPLEMENTARY SCHEDULES

DECEMBER 31, 2024

Schedule	Contents
<i>Index to the Consolidated Financial Statements</i>	
I	Map Showing the Relationships Between and Among the Companies in the Group, its Ultimate Parent Company and Co-subsiidiaries
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 and Amounts Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
D	Long-Term Debt
E	Indebtedness to Related Parties
F	Guarantees of Securities of Other Issuers ( <i>not applicable</i> )
G	Capital Stock

**SP NEW ENERGY CORPORATION****(A Subsidiary of MGen Renewable Energy, Inc.)****SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS****AVAILABLE FOR DIVIDEND DECLARATION****DECEMBER 31, 2024**

Unappropriated retained earnings, beginning of the period **(P236,003,196)**

**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 (describe nature)

—

—

—

—

**Less:** Category B: Items that are directly debited to Unappropriated

Retained Earnings

Dividend declaration during the reporting period

Reversal of retained earnings appropriation/s

Effect of restatements or prior-period adjustments

Others (describe nature)

—

—

—

—

—

Unappropriated Retained Earnings, as adjusted

**(236,003,196)****Add:** Net Income for the current year**(988,354,653)****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

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

—

—

—

—

—

—

Sub-total

—

**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

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 realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS

—

—

—

—

—

Sub-total

—

<b>Add:</b> Category C.3: Unrealized income recognized in profit or loss in prior 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 (describe nature)	—	—
Sub-total		—
<b>Adjusted Net Income</b>		<b><u>(1,224,357,849)</u></b>
<b>Add:</b> Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	—	
Sub-total		—
<b>Add/Less:</b> 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 (describe nature)	—	
Sub-total		—
<b>Add/Less:</b> 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 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	—	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	—	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—	
Sub-total		—
<b>TOTAL RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION, END OF REPORTING PERIOD</b>		<b><u>(₱1,224,357,849)</u></b>

**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**  
**SP New Energy Corporation and Subsidiaries**  
**As of December 31, 2024 and December 31, 2023**

<b>Financial Ratios</b>	<b>Formula</b>	<b>December 2024</b>	<b>December 2023</b>
Current Ratio	Dividing total current assets over total current liabilities	0.66	7.65
Quick Ratio	Dividing total current assets less inventory over current liabilities	0.66	7.63
Solvency Ratio	Dividing net income excluding depreciation and non-cash provisions over debt obligations	-0.06	0.70
Debt-to-Equity Ratio	Dividing total liabilities over stockholders' equity	0.38	0.21
Asset-to-Equity Ratio	Dividing total assets over total stockholders' equity	1.38	1.21
Interest Rate Coverage Ratio	Dividing earnings before interest and taxes of one period over interest of the same period	-2.87	36.71
Net Debt-to-Equity Ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	0.07	-0.16
Return on Equity	Dividing the net income (annual basis) by total stockholders' equity (average)	-2.15%	14.02%
Return on Assets	Dividing the net income (annual basis) by the total assets (average)	-1.64%	11.62%

**SP NEW ENERGY CORPORATION AND SUBSIDIARIES**  
**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED**  
**INFORMATION**

	Years Ended December 31	
	2024	2023
<b>Total Audit Fees (Section 2.1a)<sup>1</sup></b>	<b>₱2,363,636</b>	<b>₱4,237,500</b>
Non-audit service fees:		
Other assurance services	1,715,935	1,090,909
Tax services	490,000	
All other services	100,00	
<b>Total Non-audit Fees (Section 2.1b)<sup>2</sup></b>	<b>2,206,035</b>	<b>1,090,909</b>
<b>Total Audit and Non-audit Fees</b>	<b>₱4,569,671</b>	<b>₱5,328,409</b>

**Audit and Non-audit fees of other related entities (Section 2.1c)<sup>3</sup>**

	Years Ended December 31	
	2024	2023
<b>Audit Fees</b>	<b>₱—</b>	<b>₱—</b>
Non-audit service fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
<b>Total Non-audit Fees (Section 2.1b)<sup>2</sup></b>	<b>₱—</b>	<b>₱—</b>
<b>Total Audit and Non-audit Fees of other related entities</b>		

**Notes:**

- 1) Section 2.1a: Disclose agreed fees (excluding out of pocket expenses and VAT) with the external auditor/audit firm and its network firms (as applicable) for the audit of the covered company's stand-alone and/or consolidated financial statements and the covered company's consolidated subsidiaries' financial statements on which the external auditor/audit firm expresses an opinion. These do not include fees for special purposes audit or review of financial statements.
- 2) Section 2.1b: Disclose charged or billed fees (excluding out of pocket expenses and VAT) by the external auditor/audit firm or a network firm (as applicable) for non-audit services to the covered company and its related entities over which the covered company has direct or indirect control that are consolidated in the financial statements on which the external auditor/audit firm expresses an opinion. These included other assurance services such as special purpose audit or review of financial statements.
- 3) Section 2.1c: Disclose fees for services (excluding out of pocket expenses and VAT) charged to any related entities of the covered company over which the covered company has direct or indirect control, which are not yet disclosed in (a) or (b), such as fees for services to any unconsolidated subsidiaries that meet the consolidation exemption criteria of Philippine Financial Reporting Standard (PFRS) 10 applicable to investment entities, if the external auditor/audit firm has reason to believe that these are relevant to the evaluation of the external auditor/audit firm's independence, as communicated by the external auditor/audit firm with the covered company's, those charged with governance or equivalent (e.g. Audit Committee)

**SP New Energy Corporation and Subsidiaries**

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY  
SCHEDULES**

**FORM 17-A, Item 7**

**December 31, 2024**

Page  
No.

---

**Consolidated Financial Statements**

Statement of Management's Responsibility for Consolidated Financial Statements	
Report of Independent Public Accountants	
Consolidated Statements of Financial Position as of December 31, 2024 and 2023	
Consolidated Statements of Income	
for the years ended December 31, 2024, 2023 and 2022	
Consolidated Statements of Comprehensive Income	
for the years ended December 31, 2024, 2023 and 2022	
Consolidated Statements of Changes in Equity	
for the years ended December 31, 2024, 2023 and 2022	
Consolidated Statements of Cash Flows	
for the years ended December 31, 2024, 2023 and 2022	
Notes to Consolidated Financial Statements	

**Supplementary Schedules**

Report of Independent Public Accountants on Supplementary Schedules	1
A. Financial Assets	2
B. Amounts Receivable from Directors, Officers, Employees and Principal Stockholders (Other than Related Parties)	3
C. Amounts Receivable from Related Parties which are Eliminated during Consolidation of Financial Statements	4
D. Long-term Debt	5
E. Indebtedness to Related Parties	6
F. Guarantees of Securities of Other Issuers ( <i>not applicable</i> )	7
G. Capital Stock	8

**SP New Energy Corporation<sup>4</sup> & Subsidiaries**

**MGen Renewable Energy, Inc.**  
(As of 31Dec2024, total voting interest of 53.66%)

**SP New Energy Corporation (SPNEC)**

Terra Solar Philippines, Inc. (TSPI) 100%

Solar Philippines Tarlac Corporation (SPTarC)<sup>1</sup> 100% of C/S

Solar Philippines Calatagan Corporation (SPCC)<sup>2</sup> 62%

SP Holdings, Inc. (SPHI) 100%

Terra Nueva, Inc. (TNI) 100%

Terra Renewable Holdings, Inc. (TRHI) <sup>3</sup> 50%

**Notes:**

- 1 In partnership with Prime Metro Power Holdings Corporation
- 2 In partnership with KEPCO Philippines Holdings, Inc.
- 3 In partnership with Prime Infrastructure Capital, Inc.
- 4 SPNEC's shares in 14 companies have been sold to Solar Philippines Power Project Holdings, Inc. through a Deed of Absolute Sale dated 02 September 2024; CAR processing ongoing.

**Legend:**

- Operating Entities
- Non-operating Entities



**SP New Energy Corporation and Subsidiaries**  
**Schedul A. Financial Assets**  
**December 31, 2024**  
**(Amounts in Philippine Peso)**

Financial Assets	Name of Issuing Entity and Association of Each Use	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
<b>Loans and receivables</b>					
Cash and cash equivalents	N/A	N/A	₱5,539,532,868	N/A	₱29,993,447
Trade receivables - net of allowance for expected credit losses	N/A	N/A	200,954,585	N/A	—
Due from related parties	N/A	N/A	147,156,423	N/A	—
Loans and notes receivables	N/A	N/A	-	N/A	—
Advances to employees	N/A	N/A	1,351,616	N/A	—
Non-trade accounts receivables	N/A	N/A	1,319,056	N/A	—
Long term receivables	N/A	N/A	318,977,637	N/A	—
Debt service reserve account	N/A	N/A	588,670,612	N/A	—
			₱6,797,962,797		₱29,993,447

**SP New Energy Corporation and Subsidiaries**  
**Schedule B. Amounts Receivable from Directors, Officers, Employees and Principal**  
**Stockholders (Other than Related Parties)**  
**December 31, 2024**  
**(Amounts in Philippine Peso)**

Name and Designation of Debtor	Beginning Balance	Additions	Deductions		Current	Non Current	Ending Balance
			Amount Collected	Amount Written-Off			
Employees	₱553,434	₱1,080,037	(₱281,855)	₱ –	₱1,351,616	₱ –	₱1,351,616
Directors	–	–	–	–	–	–	–
	₱553,434	₱1,080,037	(₱281,855)	₱ –	₱1,351,616	₱ –	₱1,351,616

Note: The Company keeps the information on the name & designation of employees and other details confidential. As per written agreement with the concerned employees, any outstanding balance at the time of retirement shall be deducted from the retirement benefit proceeds.

**SP New Energy Corporation and Subsidiaries**

**Schedule C. Amounts Receivable from Related Parties which are Eliminated during Consolidation of Financial Statements**

**December 31, 2024**

**(Amounts in Philippine Peso)**

Name of Related Party	Beginning Balance	Additions	Collections	Offsetting	Reclassifications*	Cumulative Translation Adjustment	Ending Balance		Amount Eliminated
							Current	Noncurrent	
Terra Nueva, Inc.	₱2,102,481,494	₱3,233,008,430	(₱5,079,245,064)	₱ –	₱ –	₱ –	₱256,244,860	₱ –	₱256,244,860
SP Holdings, Inc.	220,050,000	112,000	–	–	–	–	220,162,000	–	220,162,000
Solar Philippines Rooftop Corp.	12,550,000	–	–	–	(12,550,000)	–	–	–	–
Solar Philippines Batangas Baseload Corp	3,200,000	–	–	–	(3,200,000)	–	–	–	–
Solar Philippines Eastern Corp.	20,000	–	–	–	(20,000)	–	–	–	–
Solar Philippines Visayas Corp.	11,000	–	–	–	(11,000)	–	–	–	–
Solar Philippines Batangas Corp.	1,000	–	–	–	(1,000)	–	–	–	–
Terra Solar Philippines, Inc.	–	4,401,392,366	(451,392,366)	–	–	–	3,950,000,000	–	3,950,000,000
Solar Philippines Tarlac Corporation	–	56,499,430	–	–	–	–	56,499,430	–	56,499,430
	₱2,338,313,494	₱7,691,012,226	(₱5,530,637,430)	₱ –	(₱15,782,000)	₱ –	₱4,482,906,290	₱ –	₱4,482,906,290

SP New Energy Corporation and Subsidiaries  
Schedule D. Long-term Debt  
December 31, 2024  
(Amounts in Philippine Peso)

Title of Issue and Type of Obligation	Amount Authorized by Indenture		Balance at December 31, 2024		Current Portion of Long-Term Debt		Long-Term Debt (Net of Current Portion)		Interest Rate	Amount and Number of Periodic Payments			Maturity Date
	(In original currency)	(In PhP)	(In original currency)	(In PhP)	(In original currenc	(In PhP)	(In original currency)	(In PhP)		(In original currency (Approx in Php)	Periodic Payments		
SPCC OLSA	3,400,000,000	₱3,400,000,000	980,400,000	₱980,400,000	107,567,297	₱107,567,296	868,580,448	₱868,580,448	7.877%	109,200,000	₱109,200,000	22	April 3, 2029
SPTC OLSA	2,225,000,000	2,225,000,000	1,780,000,000	1,780,000,000	128,322,481	128,322,481	1,625,209,119	1,625,209,119	7.907%	62,300,000	62,300,000	22	July 3, 2031
		₱5,625,000,000		₱2,760,400,000		₱235,889,777		₱2,493,789,567					

**SP New Energy Corporation and Subsidiaries**  
**Schedule E. Indebtedness to Related Parties**  
**December 31, 2024**  
**(Amounts in Philippine Peso)**

Name of Related Parties	Beginning Balance	Additions	Payments	Reclassifications/ Deconso	Ending Balance
SOLAR PHILIPPINES POWER PROJECT HOLDINGS, INC.	₱536,656,775	₱24,600	(₱107,410,000)	(₱84,412,626)	₱344,858,749
COUNTRYSIDE INVESTMENTS HOLDINGS CORPORATION	37,552,682	3,316,905	—	—	40,869,587
TERRA RENEWABLES HOLDINGS, INC.	33,988,926	—	—	(33,988,926)	—
DGA SP B.V.	244,443	—	—	(244,443)	—
GLOBAL BUSINESS POWER CORPORATION	—	141,504	(18,060)	—	123,444
MGEN RENEWABLE ENERGY, INC.	—	21,908,859	(21,687,486)	—	221,373
MERALCO POWERGEN CORPORATION	—	697,838	—	—	697,838
PIC	—	90,914	—	—	90,914
	₱608,442,826	₱26,180,620	(₱129,115,546)	(₱118,645,995)	₱386,861,905

**SP New Energy Corporation and Subsidiaries**  
**Schedule F. Guarantees of Securities of Other Issuers (not applicable)**  
**December 31, 2024**  
**(Amounts in Philippine Peso)**

Name of Issuing Entity  of Securities Guaranteed  by the Company for which Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount  Guaranteed and Outstanding	Nature of Guarantee
--	---	---	------------------------

- Not Applicable -

**SP New Energy Corporation and Subsidiaries**  
**Schedule G. Capital Stock**  
**December 31, 2024**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By	
				Related Parties	Directors, and Key Executive Officers
Common Share	75,000,000,000	50,073,050,000	—	38,420,786,602	6
Preferred Share A	5,595,797,448	—	—	—	—
Preferred Share B	19,404,202,552	19,404,202,552	—	19,404,202,552	—

**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**

**SP New Energy Corporation and Subsidiaries**  
**As of December 31, 2024 and December 31, 2023**

<b>Financial Ratios</b>	<b>Formula</b>	<b>December 2024</b>	<b>December 2023</b>
Current Ratio	Dividing total current assets over total current liabilities	0.66	7.65
Quick Ratio	Dividing total current assets less inventory over current liabilities	0.66	7.63
Solvency Ratio	Dividing net income excluding depreciation and non-cash provisions over debt obligations	-0.06	0.70
Debt-to-Equity Ratio	Dividing total liabilities over stockholders' equity	0.38	0.21
Asset-to-Equity Ratio	Dividing total assets over total stockholders' equity	1.38	1.21
Interest Rate Coverage Ratio	Dividing earnings before interest and taxes of one period over interest of the same period	-2.87	36.71
Net Debt-to-Equity Ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	0.07	-0.16
Return on Equity	Dividing the net income (annual basis) by total stockholders' equity (average)	-2.15%	14.02%
Return on Assets	Dividing the net income (annual basis) by the total assets (average)	-1.64%	11.62%



**SP NEW ENERGY CORPORATION AND SUBSIDIARIES**  
**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED**  
**INFORMATION**

	Years Ended December 31	
	2024	2023
<b>Total Audit Fees (Section 2.1a)<sup>1</sup></b>	<b>₱2,363,636</b>	<b>₱4,237,500</b>
Non-audit service fees:		
Other assurance services	1,715,935	1,090,909
Tax services	490,000	
All other services	100,00	
<b>Total Non-audit Fees (Section 2.1b)<sup>2</sup></b>	<b>2,206,035</b>	<b>1,090,909</b>
<b>Total Audit and Non-audit Fees</b>	<b>₱4,569,671</b>	<b>₱5,328,409</b>

**Audit and Non-audit fees of other related entities (Section 2.1c)<sup>3</sup>**

	Years Ended December 31	
	2024	2023
<b>Audit Fees</b>	<b>₱—</b>	<b>₱—</b>
Non-audit service fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
<b>Total Non-audit Fees (Section 2.1b)<sup>2</sup></b>	<b>₱—</b>	<b>₱—</b>
<b>Total Audit and Non-audit Fees of other related entities</b>		

**Notes:**

- 1) Section 2.1a: Disclose agreed fees (excluding out of pocket expenses and VAT) with the external auditor/audit firm and its network firms (as applicable) for the audit of the covered company's stand-alone and/or consolidated financial statements and the covered company's consolidated subsidiaries' financial statements on which the external auditor/audit firm expresses an opinion. These do not include fees for special purposes audit or review of financial statements.
- 2) Section 2.1b: Disclose charged or billed fees (excluding out of pocket expenses and VAT) by the external auditor/audit firm or a network firm (as applicable) for non-audit services to the covered company and its related entities over which the covered company has direct or indirect control that are consolidated in the financial statements on which the external auditor/audit firm expresses an opinion. These included other assurance services such as special purpose audit or review of financial statements.
- 3) Section 2.1c: Disclose fees for services (excluding out of pocket expenses and VAT) charged to any related entities of the covered company over which the covered company has direct or indirect control, which are not yet disclosed in (a) or (b), such as fees for services to any unconsolidated subsidiaries that meet the consolidation exemption criteria of Philippine Financial Reporting Standard (PFRS) 10 applicable to investment entities, if the external auditor/audit firm has reason to believe that these are relevant to the evaluation of the external auditor/audit firm's independence, as communicated by the external auditor/audit firm with the covered company's, those charged with governance or equivalent (e.g. Audit Committee)

**ANNEX “B”**

**Parent Company Audited Financial Statements  
as of and for the year ended 31 December 2024**

[Attached]

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The management of **SP New Energy Corporation** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2024**, 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 & 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.

SP NEW ENERGY CORPORATION

  
**MR. MANNY V. PANGILINAN**

---

Chairman

  
**MR. EMMANUEL V. RUBIO**

---

President

  
**MR. ROCHEL R. GLORIA**

---

Treasurer and Chief Finance Officer

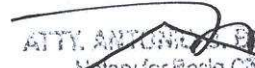
Signed this 11<sup>th</sup> day of April 2025

**APR 11 2025**

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2025, affiants exhibiting to me their passport IDs, as follows:

<b>Name</b>	<b>Passport</b>	<b>Validity period</b>
Manuel V. Pangilinan	P9969361A	Valid until 17 Dec 2028
Emmanuel V. Rubio	P3162364B	Valid until 12 Sep 2029
Rochel Donato R. Gloria	P3844177B	Valid until 13 Nov 2029

Doc. No. 50  
Page No. 11  
Book No. 3  
Series of 2025.

  
**ATTY. ANTONIO S. BETITO**  
Notary for Pasig City  
Commission No. 188 (2025 - 2026)  
709 Mega Plaza, ADB Ave., Pasig City  
Attorney's Reg. No. 27814  
IBP No. 438538/1/05/25/Rizal  
PTR No. 2982230/1/03/25/Pasig City  
MCLE Compliance No. VI-0088638 April 24, 2025

**HILARIO, Lycel B.**

---

**From:** eafs@bir.gov.ph  
**Sent:** Tuesday, April 29, 2025 11:10 PM  
**To:** MGP\_SPNEC\_eAFS  
**Cc:** CAIRANH.DEOCAMPO@SOLARPHILIPPINES.PH  
**Subject:** Your BIR AFS eSubmission uploads were received

**CAUTION:** This email originated from outside GBP. Please be cautious in opening attachments or links included in the email even if it's from a trusted source or contact.

Hi SOLAR PHILIPPINES NUEVA ECIJA CORPORATION,

**Valid files**

- EAFS009468103ITRTY122024.pdf
- EAFS009468103AFSTY122024.pdf
- EAFS009468103RPTTY122024.pdf

**Invalid file**

- <None>

Transaction Code: **AFS-0-7DGC5CBL0YZZV2N2PRYT2M3S0PP1ZW434**

Submission Date/Time: **Apr 29, 2025 11:10 PM**

Company TIN: **009-468-103**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- 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.

This is a system-generated e-mail. Please do not reply.

# COVER SHEET

for

## AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	6	2	7	3	0	0
---	---	---	---	---	---	---	---	---	---	---

**C O M P A N Y   N A M E**

[illegible]**PRINCIPAL OFFICE** ( No. / Street / Barangay / City / Town / Province )[illegible]

Form Type

<b>A</b>	<b>A</b>	<b>F</b>	<b>S</b>
----------	----------	----------	----------

Department requiring the report

<b>C</b>	<b>R</b>	<b>M</b>	<b>D</b>
----------	----------	----------	----------

Secondary License Type, If Applicable

## Certificate of Permit to Offer Securities for Sale

## COMPANY INFORMATION

Company's Email Address

**spnec@solarphilippines.ph**

Company's Telephone Number

**(02) 8817-2585**

Mobile Number

**(+63) 998 888 9326**

No. of Stockholders

28

Annual Meeting (Month / Day)

## First Monday of May

Fiscal Year (Month / Day)

12/31

## CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

**Jo Marianni Padilla Ocampo-Jalbuena**

Email Address

**corsec@solarphilippines.ph**

Telephone Number/s

**(02) 8817-2585**

Mobile Number

**(+63) 917 881 6684**

**CONTACT PERSON'S ADDRESS**

**Rockwell Business Center, Ortigas Avenue, Brgy. Ugong, 1604 Pasig City, Philippines**

**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-out. 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 Stockholders and the Board of Directors  
SP New Energy Corporation  
Rockwell Business Center  
Ortigas Avenue, Brgy. Ugong  
Pasig City 1604, Philippines

### Report on the Audit of the Parent Company Financial Statements

#### Opinion

We have audited the Parent Company financial statements of SP New Energy Corporation (the Parent Company), which comprise the Parent Company statements of financial position as at December 31, 2024 and 2023, and the Parent Company statements of income, 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 of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### 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 Parent Company 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 the Parent Company financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the 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 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.

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.

**Report on the Supplementary Information Required Under Revenue Regulation No. 15-2010**

Our audits were conducted for the purpose of forming an opinion on the Parent Company financial statements taken as a whole. The supplementary information required under Revenue Regulation No. 15-2010 in Note 22 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 financial statements. Such information is the responsibility of the management of SP New Energy Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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*

Leovina Mae V. Chu

Partner

CPA Certificate No. 99910

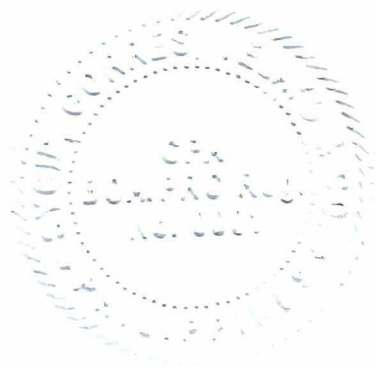
Tax Identification No. 209-316-911

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. 10465284, January 2, 2025, Makati City

April 11, 2025



**SP NEW ENERGY CORPORATION**  
**PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 4 and 17)	<b>₱3,151,631,849</b>	₱9,803,201,023
Due from related parties (Notes 12 and 17)	<b>4,534,974,123</b>	2,368,216,814
Subscriptions receivable (Notes 13 and 17)	<b>1,319,056</b>	1,319,056
Other current assets (Note 5)	<b>59,280,704</b>	52,138,514
<b>Total Current Assets</b>	<b>7,747,205,732</b>	12,224,875,407
<b>Noncurrent Assets</b>		
Property, plant and equipment (Note 6)	<b>2,386,541,448</b>	2,112,730,586
Investment properties (Note 8)	<b>524,771,431</b>	–
Deposits for land acquisition (Note 7)	<b>942,419,396</b>	1,550,289,326
Deferred tax asset - net (Note 15)	<b>9,291,007</b>	9,291,007
Investments and deposits (Note 9)	<b>13,576,932,149</b>	9,204,799,112
Other noncurrent assets (Note 10)	<b>169,097,637</b>	152,764,152
<b>Total Noncurrent Assets</b>	<b>17,609,053,068</b>	13,029,874,183
<b>TOTAL ASSETS</b>	<b>₱25,356,258,800</b>	₱25,254,749,590
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other liabilities (Notes 11, 12 and 17)	<b>₱1,294,164,530</b>	₱50,398,459
Due to related parties (Notes 12 and 17)	<b>25,493,114</b>	129,833,301
Current portion of lease liabilities (Notes 16, 17 and 20)	<b>16,545,230</b>	4,490,610
<b>Total Current Liabilities</b>	<b>1,336,202,874</b>	184,722,370
<b>Noncurrent Liability</b>		
Lease liabilities - net of current portion (Notes 16, 17 and 20)	<b>274,650,094</b>	286,519,339
<b>Total Liabilities</b>	<b>1,610,852,968</b>	471,241,709
<b>Equity (Note 13)</b>		
Common stock	<b>5,007,305,000</b>	3,437,305,000
Preferred stock	<b>194,042,026</b>	–
Additional paid-in capital	<b>19,794,017,013</b>	5,713,764,409
Deposit for future stock subscription	<b>–</b>	15,894,042,026
Deficit	<b>(1,249,958,207)</b>	(261,603,554)
<b>Total Equity</b>	<b>23,745,405,832</b>	24,783,507,881
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱25,356,258,800</b>	₱25,254,749,590

*See accompanying Notes to Parent Company Financial Statements.*



**SP NEW ENERGY CORPORATION**  
**PARENT COMPANY STATEMENTS OF INCOME**

	<b>Years Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<b>INCOME</b>		
Interest (Note 4)	<b>₱299,627,656</b>	₱7,104,690
Gain on assignment of investment and deposit (Notes 9 and 12)	–	28,860,000
	<b>299,627,656</b>	35,964,690
<b>EXPENSES AND OTHER CHARGES</b> (Note 14)	<b>1,287,982,309</b>	140,041,739
<b>LOSS BEFORE INCOME TAX</b>	<b>988,354,653</b>	104,077,049
<b>PROVISION FOR INCOME TAX</b> (Note 15)		
Current	–	6,696
Deferred	–	910,119
	–	916,815
<b>NET LOSS</b>	<b>₱988,354,653</b>	₱104,993,864
<b>Basic/Diluted Loss Per Share</b> (Note 18)	<b>₱0.0197</b>	₱0.0043

*See accompanying Notes to Parent Company Financial Statements.*



**SP NEW ENERGY CORPORATION**  
**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31	
	2024	2023
<b>NET LOSS</b>	<b>₱988,354,653</b>	<b>₱104,993,864</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>	—	—
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>₱988,354,653</b>	<b>₱104,993,864</b>

*See accompanying Notes to Financial Statements.*



**SP NEW ENERGY CORPORATION**

**PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	Common Stock	Preferred Stock	Additional Paid-in Capital	Deposit for Future Stock Subscription	Deficit	Total
<b>Balances at January 1, 2024</b>	<b>₱3,437,305,000</b>	<b>₱–</b>	<b>₱5,713,764,409</b>	<b>₱15,894,042,026</b>	<b>(₱261,603,554)</b>	<b>₱24,783,507,881</b>
<b>Issuance of shares of stock (Note 13)</b>	<b>1,570,000,000</b>	<b>194,042,026</b>	<b>14,130,000,000</b>	<b>(15,894,042,026)</b>	<b>–</b>	<b>–</b>
<b>Stock issuance costs (Note 13)</b>	<b>–</b>	<b>–</b>	<b>(49,747,396)</b>	<b>–</b>	<b>–</b>	<b>(49,747,396)</b>
<b>Total comprehensive loss for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(988,354,653)</b>	<b>(988,354,653)</b>
<b>Balances at December 31, 2024</b>	<b>₱5,007,305,000</b>	<b>₱194,042,026</b>	<b>₱19,794,017,013</b>	<b>₱–</b>	<b>(₱1,249,958,207)</b>	<b>₱23,745,405,832</b>
Balances at January 1, 2023	₱1,000,000,000	₱–	4,938,722,430	₱–	(₱121,718,325)	₱5,817,004,105
Issuance of shares of stock (Note 13)	2,437,305,000	–	–	–	–	2,437,305,000
Equity infusion	–	–	775,041,979	–	–	775,041,979
Stock issuance costs (Note 13)	–	–	–	–	(34,891,365)	(34,891,365)
Deposit for future stock subscription	–	–	–	15,894,042,026	–	15,894,042,026
Total comprehensive loss for the year	–	–	–	–	(104,993,864)	(104,993,864)
Balances at December 31, 2023	₱3,437,305,000	₱–	₱5,713,764,409	₱15,894,042,026	(₱261,603,554)	₱24,783,507,881

*See accompanying Notes to Parent Company Financial Statements.*



**SP NEW ENERGY CORPORATION**  
**PARENT COMPANY STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	(P988,354,653)	(P104,077,049)
Adjustments for:		
Interest income (Note 4)	(299,627,656)	(7,104,690)
Loss on sale of equity investments (Notes 9 and 14)	101,265,374	–
Interest accretion of lease liabilities (Notes 14 and 16)	9,501,770	9,241,144
Depreciation and amortization (Notes 6 and 14)	5,209,905	5,209,905
Unrealized foreign exchange loss (gain)	10,399	501,394
Gain on assignment of investment and deposit (Notes 5 and 21)	–	(28,860,000)
Loss before changes in working capital	(1,171,994,861)	(125,089,296)
Increase in:		
Other current assets (Note 5)	(16,041,658)	(33,550,504)
Accounts payable and other liabilities (Note 11)	1,243,766,072	8,073,692
Net cash used in operations	55,729,553	(150,566,108)
Interest received (Note 4)	294,557,453	7,104,690
Net cash flows from (used in) operating activities	350,287,006	(143,461,418)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Additional investments and deposits (Note 9)	(4,553,398,411)	(9,175,839,112)
Increase in amounts due from related parties (Note 12)	(2,166,757,309)	(197,809,251)
Additions to:		
Property, plant, and equipment (Note 6)	(268,990,317)	(453,428,940)
Deposits for land acquisition (Note 7)	(170,215,778)	(297,515,367)
Other noncurrent assets (Note 10)	(16,333,485)	(16,369,004)
Proceeds from transfer of deposit for land acquisition (Note 7)	253,314,277	–
Proceeds from sale of equity investments (Note 14)	80,000,000	–
Net cash flows used in investing activities	(6,842,381,023)	(10,140,961,674)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in amounts due to related parties	(104,340,187)	361,103,072
Payments of:		
Lease liabilities (Notes 16 and 20)	(19,346,845)	(14,647,543)
Deferred stock issuance costs (Note 5)	(18,137,305)	–
Stock issuance costs (Note 13)	(17,640,421)	–
Deposit from future stock subscription	–	15,894,042,026
Proceeds from issuance of shares of stock, net of subscriptions receivable and transaction costs (Note 13)	–	2,402,413,635
Equity infusion (Note 13)	–	775,041,979
Collection of subscriptions receivable (Note 13)	–	649,796,605
Net cash flows from (used in) financing activities	(159,464,758)	20,067,749,774
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	(10,399)	(501,394)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(6,651,569,174)	9,782,825,288
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>9,803,201,023</b>	<b>20,375,735</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b> (Notes 4 and 17)	<b>P3,151,631,849</b>	<b>P9,803,201,023</b>

*See accompanying Notes to Parent Company Financial Statements.*



# SP NEW ENERGY CORPORATION

---

## NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

---

### 1. Corporate Information

#### (a) Organization

SP New Energy Corporation (“SPNEC”; the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 23, 2016, primarily to engage in the construction, operation and maintenance of all types of renewable energy plants and related services. As of April 11, 2025, the Parent Company has not yet started commercial operations [see details in (b) The NE 2 Project below].

The common shares of the Parent Company are listed on the Philippine Stock Exchange (“PSE”) beginning December 17, 2021 and traded under the ticker, “SPNEC”.

On March 27, 2023, Metro Pacific Investments Corporation (“MPIC”), a corporation organized in the Republic of the Philippines, entered into a Share Purchase Agreement with Solar Philippines Power Project Holdings, Inc. (“SP Project Holdings”), the then controlling shareholder of SPNEC, to acquire the latter’s rights, title and interests in and to the Parent Company equal to 1,600 million common shares for ₱2,000.0 million (see Note 13).

On November 30, 2023, MGen Renewable Energy, Inc. (“MGreen”) and the Parent Company entered into a Subscription Agreement, whereby MGreen subscribed (i) 15,700 million common shares with subscription price of ₱1.0 per share and (ii) 19,404 million preferred shares with par value of ₱0.01 per share for a total subscription price of ₱15.9 billion (see Note 13). MGreen is a wholly-owned subsidiary of Meralco PowerGen Corporation (“MGen”), which in turn is a wholly-owned subsidiary of Manila Electric Company (“Meralco”). Meralco, MGen and MGreen are registered with the Philippine SEC. The shares of Meralco are listed in the PSE under the ticker, “MER”.

On January 17, 2024, the SEC approved the Parent Company’s application for increase in authorized capital stock from 50 billion common shares with par value of ₱0.10 per share to 75 billion common shares with par value of ₱0.10 per share and 25 billion preferred shares with par value of ₱0.01 per share, divided into Class A preferred shares and Class B preferred shares. On January 26, 2024, MGreen purchased 2,173,913,000 common shares held by SP Project Holdings for a total consideration of ₱2.5 billion. Consequently, MGreen is considered as the controlling shareholder of the Parent Company with a total voting interest of 53.66%.

#### (b) Sta. Rosa Nueva Ecija 2 Solar Power Project (“NE 2 Project”)

The Parent Company is developing a two-phase 500 MW<sub>p</sub> (“MW<sub>dc</sub>”) solar power plant located in Nueva Ecija and is divided into two (2) Phases. Solar Energy Service Contract (“SESC”) No. 2017-06-404 was assigned by an affiliate, Solar Philippines Commercial Rooftop Projects, Inc. (“SPCRPI”) on December 29, 2017. The assignment was approved by the Department of Energy (“DOE”) with the issuance of a new Certificate of Registration (“COR”) and a Certificate of Confirmation of Commerciality.

The first phase of the NE 2 Project is a 225 MW<sub>dc</sub> solar power plant (“Phase 1”) in Barangay Las Piñas, Peñaranda, Nueva Ecija with sub-phases of Phase 1A at 50 MW<sub>dc</sub> and Phase 1B at 175 MW<sub>dc</sub>. The Parent Company targets that Phase 1A shall be commissioned by mid-2024 while



Phase 1B is planned to be commissioned by end of 2025. The second phase of the NE 2 Project is a 275 MW<sub>dc</sub> solar power plant (“Phase 2”).

The Parent Company began construction of Phase 1A on December 27, 2021 and is 61.09% complete as at December 31, 2024 (see Note 6).

(c) Principal Office Address

On April 12, 2024, the Board of Directors (“BOD”) approved the change of the Company’s principal office from 112 Legaspi Street, Legaspi Village, Brgy. San Lorenzo, Makati City 1229, Philippines to Rockwell Business Center, Ortigas Avenue, Brgy. Ugong, 1604 Pasig City, Philippines. This was subsequently approved by the Parent Company’s stockholders on May 10, 2024. The change in the Parent Company’s principal office address was approved by the SEC on November 29, 2024. Amendment of new address is still pending with the Bureau of Internal Revenue (BIR).

(d) Authorization for the Issuance of the Parent Company Financial Statements

The Parent Company financial statements as of December 31, 2024 and 2023 and for the years then ended were authorized for issue by the BOD on April 11, 2025.

---

**2. Basis of Preparation, Statement of Compliance and Summary of Material Accounting Policy Information**

Basis of Preparation

The 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 ₱, unless otherwise indicated.

The Parent Company issues consolidated financial statements which are prepared for the same period in compliance with Philippine Financial Reporting Standards (“PFRS”) Accounting Standards. These may be obtained from the office of the Parent Company at Rockwell Business Center, Ortigas Avenue, Brgy. Ugong, Pasig City 1604, Philippines.

Statement of Compliance

The Parent Company financial statements are prepared in compliance with PFRS Accounting Standards as issued by the Philippine Financial Sustainability and Reporting Standards Council (“FRSC”) and adopted by the Philippine SEC.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective 2024. The Parent Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Unless otherwise indicated, adoption of these new standards did not have an impact on the Parent Company financial statements.

- Amendments to Philippine Accounting Standard (PAS) 1, *Classification of Liabilities as Current or Non-current*





The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

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

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

#### Presentation of Parent Company Financial Statements

The Parent Company has elected to present all items of recognized income and expense in two statements: a statement displaying components of profit or loss (Parent Company statements of income) and a second statement beginning with profit or loss and displaying components of OCI (Parent Company statements of comprehensive income).

#### Current versus Noncurrent Classification

The Parent Company presents assets and liabilities in the Parent Company statements 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;
- expected to be realized within twelve months after the reporting period;
- held primarily for the purpose of trading; 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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity do not affect its classification.



The Parent Company classifies all other liabilities as noncurrent.

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

#### Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand and in banks and short-term deposits with original maturities of three (3) months or less from dates of acquisition and that are subject to insignificant risk of changes in value.

#### Short-term Investments

Short-term investments are short-term placements with maturities of more than three (3) months but less than one (1) year from the date of acquisition. These earn interest at the respective short-term investment rates.

#### 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 financial assets at amortized cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVPL”).

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. The Parent Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs.

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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Parent Company commits to purchase or sell the asset.

##### *Subsequent Measurement*

For purposes of subsequent measurement, financial assets are classified in four 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 FVPL



*Financial assets at amortized cost (debt instruments)*

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 the Parent Company statements of income when the asset is derecognized, modified or impaired.

The Parent Company’s financial assets at amortized cost include cash and cash equivalents (excluding cash on hand), subscriptions receivable, due from related parties, and interest receivable, bonds and short-term investments (included under other current assets) as of December 31, 2024 and 2023 (see Notes 4, 5, 12, 13 and 17).

The Parent Company has no financial assets at FVOCI and FVPL.

*Financial liabilities*

*Loans and borrowings*

Financial liabilities are classified in this category if these are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or borrowings.

Loans and borrowings are initially recognized at fair value of the consideration received, less directly attributable transaction costs. After initial recognition, such loans and borrowings are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any related issue costs, discount or premium. Gains and losses are recognized in the Parent Company statements of income when the liabilities are derecognized, as well as through the amortization process.

The Parent Company’s loans and borrowings include accounts payable and other liabilities (excluding payable to government agencies), due to related parties and lease liabilities as of December 31, 2024 and 2023 (see Notes 11, 12, 16 and 17).

As of December 31, 2024 and 2023, the Parent Company has no financial liabilities at FVPL.

*Derecognition of Financial Assets and Liabilities*

*Financial asset*

A financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired; or
- the Parent Company retains the right to receive cash flows from the asset, but has assumed obligation to pay them 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 the risks and rewards of the asset but has transferred the control of the asset.



Where the Parent Company has transferred its right to receive cash flows from an asset or has entered into a “pass-through” arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Parent Company’s continuing involvement in the asset.

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

#### *Financial liability*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where 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 exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Parent Company statements of income.

#### Impairment of Financial Assets

The Parent Company recognizes an allowance for expected credit losses (“ECLs”) for all financial assets except debt instruments held at FVPL. 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).

#### Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Parent Company statements of financial position, if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an 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.

#### *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 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.

#### Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation, amortization and impairment in value, if any. The initial cost of property, plant and equipment consist of the purchase price including import duties, borrowing costs (during construction period) and other costs directly attributable to bringing the assets to its working condition and location for its intended use. Cost also includes the cost of replacing part of the property, plant and equipment, and the borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Parent Company recognizes such parts as individual assets with specific useful lives, depreciation and amortization. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the 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 and amortization of an item of property, plant and equipment begin when it becomes 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. Depreciation and amortization cease at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized. Leasehold improvements are amortized over the lease term or the economic life of the related asset, whichever is shorter.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

An item of property, plant and equipment, and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

The useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted, prospectively, if appropriate.

#### *Construction in progress ("CIP")*

CIP represents structures under construction and is stated at cost, net of accumulated impairment losses, if any. This includes costs of construction and other direct costs. Costs also include interest on lease liability and amortization of right-of-use assets incurred during the construction period. Construction in progress is not depreciated until such time that the assets are put into operational use.

#### *Right-of-use ("ROU") assets*

ROU assets are included as part of property, plant and equipment. The Parent Company recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, 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 Parent Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. ROU assets are subject to impairment (refer to Impairment of Nonfinancial Assets policy).

#### Value-Added Tax ("VAT")

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the Parent Company statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the Parent Company statement of financial position to the extent of the recoverable amount.



#### Investments in Subsidiaries

The Parent Company's investments in subsidiaries is accounted for using the cost method of accounting. A subsidiary is an entity in which the Parent Company has control. Control is achieved when the Parent Company is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. An associate is an entity in which the Parent Company has significant influence. Significant influence is the power to participate in the financial and operating decision of the investee but is not in control or in joint control of those policies.

Investments in subsidiaries are carried in the Parent Company statements of financial position at cost less any impairment in value. The Parent Company recognizes income from its investments when its right to receive dividends is established. An assessment of the carrying value of investments is performed when there is an indication that the investments have been impaired.

#### Deposits for Land Acquisition

Deposits for land acquisition pertain to non-refundable deposits and payments made in relation to the acquisition of parcels of land that are intended for future expansion and are stated at the amount paid less any impairment in value. Upon successful transfer of title to the Parent Company, the deposits for land acquisition shall be reclassified to land as part of either investment property or property, plant and equipment.

#### Investment Properties

Investment properties include parcel of lands held by the Parent Company for capital appreciation and are carried at cost including transaction costs.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of income in the year of retirement or disposal.

Transfers are made to (or from) investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property or inventories, the cost of property for subsequent accounting is its carrying value at the date of change in use. If the property occupied by the Parent Company as an owner-occupied property becomes an investment property, the Parent Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

#### Impairment of Nonfinancial Assets

The Parent Company assesses at each reporting date whether there is an indication that these 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.



An impairment loss is charged to profit or loss in the period in which it arises. In the case of input VAT, an allowance is provided for any portion of the input VAT that cannot be claimed against output VAT or recovered as tax credit against future income tax liability.

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 periods. Such reversal is recognized in the Parent Company statement of income.

#### Common and Preferred Stock

Common and preferred stock is measured at par value and is classified as equity for all shares of stocks issued.

#### Additional Paid-in Capital ("APIC")

When the shares of stock are sold at premium, the difference between the proceeds and the par value is credited to the APIC account.

Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are reduction to the APIC. If APIC is not sufficient, the excess is charged against the "Deficit" account.

#### Subscriptions Receivable

Subscriptions receivable represents unpaid portion of subscriptions and is presented as current assets when it is expected to be collected within 12 months after the financial reporting date. Otherwise, this is presented as reduction from equity.

#### Deposit for Future Stock Subscription

Deposit for future stock subscriptions represents funds received as payment for additional issuance of shares.

The Parent Company classifies a contract to deliver its additional equity instruments as a "Deposit for future stock subscription" if and only if, all of the following elements are present as of the reporting period:

- a. the unissued authorized capital stock of the Parent Company is insufficient to cover the amount of shares indicated in the contract;
- b. there is BOD's approval on the proposed increase in authorized capital stock;
- c. there is stockholders' approval of the said proposed increase; and
- d. the application for the approval of the proposed increase was presented for filing or has been filed with the SEC.

#### Deficit

Retained earnings (deficit) represent the cumulative balance of periodic net income or loss, prior period adjustments, effect of changes in accounting policy and other capital adjustments. When the retained earnings account has a debit balance, it is called "deficit". A deficit is not an asset but a deduction from equity.





### Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Parent Company assesses at contract inception all arrangements to determine whether it is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Parent Company as a Lessee*

The Parent Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Parent Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### *i) ROU assets*

Refer to ROU assets policy.

##### *ii) Lease liabilities*

At the commencement date of the lease, the Parent Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Parent Company and payments of penalties for terminating a lease, if the lease term reflects the Parent Company exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Parent Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. 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.

#### *Short-term leases*

The Parent Company applies the short-term lease recognition exemption to its short-term leases of vehicle (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). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

### Interest Income

Interest income is recognized as interest accrues, using the EIR method, which is 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.



### Expenses

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

### Provisions

Provisions are recognized when the Parent Company 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 Parent Company 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 expenses relating to any provision are 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 Parent Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the income tax returns with respect to situations in which applicable income tax regulations are subject to interpretation and establishes provisions where appropriate.

#### *Deferred Income Tax*

Deferred income tax is provided using the balance sheet liability method on temporary differences between the income 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.

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.

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 other comprehensive income (“OCI”) or directly in equity.

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

#### Earnings (Loss) Per Share (“EPS”)

Basic EPS is computed by dividing net income for the year attributable to common shareholders of the Parent Company with the weighted average number of common shares outstanding during the year, after giving retroactive effect to any stock dividends or stock splits, if any, declared during the year.

Diluted EPS is computed in the same manner, with the net income for the year attributable to common shareholders of the Parent Company and the weighted average number of common shares outstanding during the year, adjusted for the effect of all dilutive potential common shares. As of December 31, 2024 and 2023, the Parent Company does not have any dilutive potential common shares. Hence, diluted EPS is the same as basic EPS.

#### Operating Segments

The Parent Company has no operating segments as it has not yet commenced its commercial operations as of December 31, 2024 and 2023.

#### Contingencies

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

#### Events After the Financial Reporting Date

Events after the financial reporting date that provide additional information about the Parent Company’s position at the balance sheet date (adjusting events) are reflected in the Parent Company financial statements. Events after the financial reporting date that are not adjusting events are disclosed in the notes to Parent Company financial statements when material.

#### Future Changes in Accounting Policies

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Parent Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Parent Company intends to adopt the following pronouncements when they become effective.

#### *Effective beginning on or after January 1, 2025*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.



The amendments are not expected to have any impact on the Parent Company financial statements.

*Effective beginning on or after January 1, 2026*

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments clarify the application of ‘own-use’ requirements for in-scope contracts that reference nature-dependent electricity and expose an entity to variability in an underlying amount of electricity. With respect to hedge accounting requirements, the amendments now allow an entity to designate a contract referencing nature-dependent electricity as the hedging instrument in a hedge of forecast electricity transactions.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier adoption is permitted and that fact must be disclosed.

The amendments are not expected to have any material impact on the Parent Company financial statements.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the ‘settlement date’, i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

The amendments are not expected to have any material impact on the Parent Company financial statements.

- Annual Improvements to PFRS Accounting Standards - Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

The amendments are not expected to have any material impact on the Parent Company financial statements.



- Amendments to PFRS 7, Gain or Loss on Derecognition

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

The amendments are not expected to have any material impact on the Parent Company financial statements.

- Amendments to PFRS 9

*Lessee Derecognition of Lease Liabilities*

The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

*Transaction Price*

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to ‘transaction price as defined by PFRS 15, *Revenue from Contracts with Customers*’ with ‘the amount determined by applying PFRS 15’. The term ‘transaction price’ in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

The amendments are not expected to have any material impact on the Parent Company financial statements.

- Amendments to PFRS 10, *Determination of a ‘De Facto Agent’*

The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

The amendments are not expected to have any material impact on the Parent Company financial statements.

- Amendments to PAS 7, *Cost Method*

The amendments to paragraph 37 of PAS 7 replaced the term ‘cost method’ with ‘at cost’, following the prior deletion of the definition of ‘cost method’.

The amendments are not expected to have any material impact on the Parent Company financial statements.

*Effective beginning on or after January 1, 2027*

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.



The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. On February 14, 2025, the FSRSC further amended the mandatory effective date of PFRS 17 from January 1, 2025 to January 1, 2027. This is consistent with Circular Letter No. 2025-04 issued by the Insurance Commission which deferred the implementation of PFRS 17 to January 1, 2027.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2027, with comparative figures required. Early application is permitted.

The amendments are not expected to have any impact on the Parent Company financial statements.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

The amendments are not expected to have any material impact on the Parent Company financial statements.

- PFRS 19, *Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities.

The amendments are not expected to have any material impact on the Parent Company financial statements.

#### *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*



The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The amendments are not expected to have any impact on the Parent Company financial statements.

---

### 3. Significant Accounting Judgements and Estimates and Assumptions

The Parent Company financial statements prepared in accordance with PFRS Accounting Standards require management to make judgments and estimates that affect amounts reported in the Parent Company financial statements and related notes. The judgments 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.

Judgments 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 items are those matters which the Parent Company assess to have significant risks arising from estimation uncertainties:

#### Judgments

In the process of applying the Parent Company'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 Parent Company financial statements. This judgment is based upon management's evaluation of relevant facts and circumstances as of the date of the Parent Company financial statements.

#### *Determination of Control Over an Investee Company*

Control is presumed to exist when an investor 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. The Parent Company has established that it has the ability to control its subsidiaries by virtue of 100% or a majority of the voting interest in the investee company.

#### *Distinction between Investment Properties and Property and Equipment*

The Company determines whether a property qualifies as investment property. In making its judgment, the Company considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used for administrative purposes. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for administrative purposes. If these portions cannot be sold separately at the reporting date, the property is accounted for as investment property only if an insignificant portion is held for administrative purposes.



Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company considers each property separately in making its judgment.

Investment properties amounted to ₱524.8 million and nil as of December 31, 2024 and 2023, respectively (see Note 8). Property and equipment amounted to ₱2,386.5 million and ₱2,112.7 million as of December 31, 2024 and 2023, respectively (see Note 6).

#### Estimates

##### *Recoverability of Deposits for Land Acquisition*

The Parent Company assesses at each financial reporting date whether there is indication that the Deposits for land acquisition may be impaired. Management's assessment of impairment considers information from various sources, including those from the land acquisition process and the related requirements, the current status of land acquisition, the timeline of activities and factors that may affect the timing of completion of the transaction.

As of December 31, 2024 and 2023, management has assessed that there were no indicators that the deposits for land acquisition may be impaired. The carrying value of deposits for land acquisition amounted to ₱942.4 million and ₱1,550.3 million as of December 31, 2024 and 2023, respectively (see Note 7).

##### *Estimating Useful Lives of ROU Assets*

The Parent Company estimates the useful lives of ROU assets based on the period over which each asset is expected to be available for use and on the collective assessment of industry practices, internal evaluation and experience with similar arrangements. The estimated useful life is revisited at the end of each financial reporting period and updated if expectations differ materially from previous estimates.

The carrying amount of ROU assets amounted to ₱243.2 million and ₱254.0 million as of December 31, 2024 and 2023, respectively (see Notes 6 and 16).

##### *Estimating Impairment of Financial Assets*

The measurement of impairment losses under PFRS 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows, including collectability, collateral values and other credit enhancements, when determining impairment losses. Increases or decreases to the allowance balance are recorded as general and administrative expenses in the Parent Company statements of income.

Under PFRS 9, *Financial Instruments*, additional judgments are also made in assessing a significant increase in credit risk in the case of financial assets measured using the general approach. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Parent Company's impairment calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the impairment models that are considered accounting judgments and estimates include:

- The Parent Company's criteria for defining default and for assessing if there has been a significant increase in credit risk;
- The segmentation of financial and contract assets when impairment is assessed on a collective basis;
- The choice of inputs and the various formulas used in the impairment calculation;





- Determination of relationships between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and,
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the impairment models.

It has been the Parent Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

#### *Measurement of ECL*

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Parent Company in accordance with the contract and the cash flows that the Parent Company expects to receive.
- *Financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

The Parent Company leverages existing risk management indicators (e.g., internal credit risk classification and restructuring triggers), credit risk rating changes and reasonable and supportable information which allows the Parent Company to identify whether the credit risk of financial assets has significantly increased.

No provision for ECL was recognized by the Parent Company for the years ended December 31, 2024 and 2023. The aggregate carrying values of cash and cash equivalents (excluding cash on hand), due from related parties, subscriptions receivable, and interest receivable, bonds and short-term investments (included under other current assets) amounted to ₱7,722.1 million and ₱12,188.2 million as of December 31, 2024 and 2023, respectively (Notes 4, 5 and 17).

#### *Estimating Impairment of Investments and Deposits*

The Parent Company performs an impairment review on its investments and deposits 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 that may indicate that the carrying amounts of the investments and deposits are not recoverable. Thus, no impairment loss was recognized in 2024 and 2023. The carrying amount of investments and deposits amounted to ₱13,576.9 million and ₱9,204.8 million as of December 31, 2024 and 2023, respectively (see Note 9).

#### *Estimating Impairment of Nonfinancial Assets, other than Investments and Deposits*

The Parent Company assesses impairment of nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.



The factors that the Parent Company 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.

The carrying amounts of assets that are subject to impairment testing when impairment indicators are present (such as obsolescence, physical damage, significant changes to the manner in which the asset is used, worse than expected economic performance, or other external indicators) are as follows:

	2024	2023
Property, plant and equipment (Note 6)	<b>₱2,386,541,448</b>	₱2,112,730,586
Deposits for land acquisition (Note 7)	<b>942,419,396</b>	1,550,289,326
Investment properties (Note 7)	<b>524,771,431</b>	–
Other noncurrent assets (Note 10)	<b>169,097,637</b>	152,764,152
	<b>₱4,022,829,912</b>	₱3,815,784,064

There were no indicators of impairment of nonfinancial assets for the years ended December 31, 2024 and 2023.

#### *Estimating the Realizability of Deferred Income 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 carrying value of recognized deferred income tax assets amounted to ₱9.29 million both as of December 31, 2024 and 2023, respectively (see Note 15).

The Parent Company did not recognize deferred income tax assets on the carryforward benefits of unused net operating loss carryover ("NOLCO") amounting to ₱1,289.3 million and ₱445.6 million as of December 31, 2024 and 2023, respectively, as management believes that there is no sufficient future taxable income to allow all or part of the deductible temporary difference to be utilized before its expiration (see Note 15).

#### **4. Cash and Cash Equivalents**

	2024	2023
Cash in banks and on hand	<b>₱139,006,849</b>	₱38,201,023
Short-term deposits	<b>3,012,625,000</b>	9,765,000,000
	<b>₱3,151,631,849</b>	₱9,803,201,023



Short-term deposits are made for varying periods of up to three (3) months and earn interest at the prevailing short-term deposit interest rates.

Cash and cash equivalents earn interest at the respective bank deposit rates. Total interest earned on cash in banks, net of final tax, amounted to ₱299.6 million and ₱7.1 million for the years ended December 31, 2024 and 2023, respectively.

Cash in banks include the balance of escrow account where the net proceeds of the Initial Public Offering (“IPO”) and Stock Rights Offering (“SRO”) are deposited. As provided in the escrow agreement, the escrow agent shall release to the Parent Company the offer proceeds within five (5) banking days from the receipt of an instruction letter from the Parent Company directing such release and certifying that the amount released shall be used solely in accordance with the purpose stated in the use of proceeds of IPO and/or SRO.

In the event of any change in the use of proceeds, the Parent Company shall provide the escrow agent with a copy of the certification by the Parent Company’s corporate secretary of the board resolution approving such new use of proceeds and a certification by the Parent Company’s corporate secretary that the new use of proceeds has been disclosed to the PSE in accordance with applicable PSE rules. As of December 31, 2024, all IPO and SRO proceeds have been utilized.

## 5. Other Current Assets

	2024	2023
Interest receivable (Note 17)	<b>₱5,070,203</b>	<b>₱—</b>
Advances to suppliers	<b>5,167,700</b>	<b>—</b>
Deferred stock issuance costs (Note 13)	<b>18,137,305</b>	32,106,975
Bonds (Notes 17 and 21)	<b>15,552,038</b>	15,552,038
Short-term investment (Note 17)	<b>15,000,000</b>	<b>—</b>
Prepaid premiums (Note 21)	<b>—</b>	2,950,073
Others	<b>353,458</b>	1,529,428
	<b>₱59,280,704</b>	<b>₱52,138,514</b>

Bonds consist of:

Beneficiary	Contract	Term	Expiry Date	Amount
Angeles Electric Corporation (“AEC”)	Power Supply Agreement for 15 MW <sub>p</sub> solar power project	Callable upon demand	Original: August 10, 2024; New: November 26, 2025	₱15,000,000
Department of Agrarian Reform (“DAR”)	DAR conversion order	Refundable upon conversion of land and compliance with the conditions set forth in the DAR conversion order		552,038
Total				<b>₱15,552,038</b>



## 6. Property, Plant and Equipment

	2024			
	Transportation Equipment	Construction in progress (Notes 1 and 12)	ROU Assets (Note 16)	Total
<b>Cost:</b>				
Balances at beginning of year	₱207,600	₱1,858,545,810	₱285,220,956	₱2,143,974,366
Additions (Note 12)	–	284,693,122	–	284,693,122
Balances at end of the year	207,600	2,143,238,932	285,220,956	2,428,667,488
<b>Accumulated depreciation and amortization:</b>				
Balance at beginning of the year	55,360	–	31,188,420	31,243,780
Depreciation and amortization (Note 14)	41,520	–	5,168,385	5,209,905
Amortization capitalized to CIP	–	–	5,672,355	5,672,355
Balances at end of year	96,880	–	42,029,160	42,126,040
Net book value	₱110,720	₱2,143,238,932	₱243,191,796	₱2,386,541,448

	2023			
	Transportation Equipment	Construction in progress (Notes 1 and 12)	ROU Assets (Note 16)	Total
<b>Cost:</b>				
Balances at beginning of year	₱207,600	₱1,389,549,741	₱301,837,803	₱1,691,595,144
Additions (Note 12)	–	468,996,069	–	468,996,069
Adjustments (Note 16)	–	–	(16,616,847)	(16,616,847)
Balances at end of the year	207,600	1,858,545,810	285,220,956	2,143,974,366
<b>Accumulated depreciation and amortization:</b>				
Balance at beginning of the year	13,840	–	20,347,680	20,361,520
Depreciation and amortization (Note 14)	41,520	–	5,168,385	5,209,905
Amortization capitalized to CIP	–	–	5,672,355	5,672,355
Balances at end of year	55,360	–	31,188,420	31,243,780
Net book value	₱152,240	₱1,858,545,810	₱254,032,536	₱2,112,730,586

## 7. Deposits for Land Acquisition

Following is a summary of the deposits for land acquisition of the Parent Company:

Entity	2024		2023	
	Land Area (in hectares)	Amount	Land Area (in hectares)	Amount
Provincia Investments Corporation (“PIC”) (Note 12)	68.62	₱270,000,000	68.62	₱270,000,000
Lupang Hinirang Holdings Corporation (“LHHC”) (Note 12)	56.81	267,000,000	56.81	267,000,000
Various landowners*	610.18	405,419,396	1,288.11	1,013,289,326
	735.61	₱942,419,396	1,413.54	₱1,550,289,326

\*Includes land acquisition-related costs



Following is the movement in the Parent Company's deposits for land acquisition with various landowners:

	2024	2023
Balances at beginning of year	<b>₱1,013,289,326</b>	₱715,773,959
Additions	<b>170,215,778</b>	297,515,367
Transfer of deposits to Terra Nueva	<b>(253,314,277)</b>	–
Reclassifications to investment properties (Note 8)	<b>(524,771,431)</b>	–
Balances at end of year	<b>₱405,419,396</b>	₱1,013,289,326

In 2024, certain contracts have been transferred to Terra Nueva. Deposits for these contracts amounting to ₱253.3 million have been reimbursed by Terra Nueva to the Parent Company.

As of December 31, 2024 and 2023, the remaining balance of deposits for land acquisition amounting to ₱552.8 million and ₱802.4 million, respectively, will be payable when the conditions under the contracts to sell are satisfied.

## 8. Investment Properties

As of December 31, 2024, investment properties pertain to parcels of land located in Nueva Ecija, Bulacan and Zambales with a total area of 493.5 hectares. These properties were obtained by the Company from various landowners through various Deeds of Absolute Sale Agreements executed in 2024. The total cost of the investment properties, including land-related costs amounted to ₱524.77 million (see Note 7). Previously, these investment properties are recorded under "Deposits for Land Acquisitions" account in the Parent Company statements of financial position.

The Company did not recognize any rental income and direct operating expenses arising from the investment properties in 2024.

The aggregate fair value of the Company's investment properties as at December 31, 2024 amounts to ₱10,290.5 million. The fair value represents the 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, in accordance with PFRS Accounting Standards. The investment properties were valued using the Market Value Approach. The Market Value Approach is an appraisal technique in which the Fair Value estimate is predicated based upon prices paid in actual market transactions and current listings, subject to adjustments for comparability. For Market Value Approach, the higher the price per square meter, the higher the fair value.

Significant increases (decreases) in estimated price per square meter would result in a significantly higher (lower) fair value.

The fair value of investment properties is categorized under Level 3 of the fair value hierarchy.

The Company has no restriction on the realizability of its investment properties and no obligation to either purchase, construct or develop or for repairs, maintenance, and enhancement.



## 9. Investments and Deposits

The following is a summary of the Parent Company's investments and deposits:

Investee	Percentage of Ownership		Amount invested	
	2024	2023	2024	2023
<i>Existing Active Investments</i>				
Terra Solar Philippines, Inc. (Terra Solar)	100	100	₱7,677,402,740	₱6,026,010,374
Terra Nueva, Inc. (Terra Nueva) <sup>2</sup>	100	100	2,902,100,000	100,000
Solar Philippines Tarlac Corporation (SP Tarlac)	100	100	2,241,687,500	2,241,687,500
Solar Philippines Calatagan Corporation (SP Calatagan) <sup>1</sup>	62	62	752,766,909	752,766,910
SP Holdings, Inc. (SP Holdings) <sup>2</sup>	100	100	2,975,000	2,975,000
<i>Investments Put to SP Project Holdings</i>				
Solar Philippines Rooftop Corporation (SP Rooftop) <sup>3</sup>	—	100	—	100,750,000
Solar Philippines Retail Electricity, Inc. (SP Retail) <sup>3</sup>	—	100	—	44,330,000
Laguna Rooftop Solar Corporation (Laguna Rooftop) <sup>3</sup>	—	100	—	32,401,203
Solar Philippines South Luzon Corporation (SP South Luzon) <sup>3</sup>	—	100	—	1,007,500
Solar Philippines Tarlac Baseload Corporation (SP Tarlac Baseload) <sup>3</sup>	—	100	—	554,125
Solar Philippines Batangas Corporation (SP Batangas) <sup>3</sup>	—	100	—	453,375
Solar Philippines Batangas Baseload Corporation (SP Batangas Baseload) <sup>3</sup>	—	100	—	251,875
Solar Philippines Central Visayas Corporation (SP Central Visayas) <sup>3</sup>	—	100	—	251,875
Solar Philippines Eastern Corporation (SP Eastern) <sup>3</sup>	—	100	—	251,875
Solar Philippines Southern Mindanao Corporation (SP Southern Mindanao) <sup>3</sup>	—	100	—	251,875
Solar Philippines Southern Tagalog Corporation (SP Southern Tagalog) <sup>3</sup>	—	100	—	251,875
Solar Philippines Visayas Corporation (SP Visayas) <sup>3</sup>	—	100	—	251,875
Solar Philippines Western Corporation (SP Western) <sup>3</sup>	—	100	—	251,875
			<b>₱13,576,932,149</b>	<b>₱9,204,799,112</b>

<sup>1</sup>Economic interest is 100% after dividend to preferred stock

<sup>2</sup>Investment holding entities

<sup>3</sup>Not started operations as of December 31, 2024



#### SP Calatagan

SP Calatagan is an entity registered with the Board of Investments (“BOI”). As a registered enterprise, the Company is entitled to seven (7) years income tax holiday (“ITH”) from start of actual operations or two (2) months from the date of commissioning or testing, whichever comes earlier, duty-free importation of machineries for a period of 10 years and exemption from VAT, among others. SP Calatagan began commercial operations on March 11, 2016.

The Parent Company acquired the shares of SP Project Holdings and Leandro L. Leviste in SP Calatagan on June 29, 2023 and November 20, 2023, respectively.

While all of the common shares of SP Calatagan are held by the Parent Company and the preferred shares by KEPCO Philippines Holdings, Inc. (“KEPCO”), the voting interest is shared 62% and 38%, in favor of the Parent Company. The preferred shares are voting, non-participating and earn cumulative dividends at ₱0.8392 per share until December 31, 2035 subject to availability of retained earnings and approval of the BOD. These are convertible to common stock at the option of KEPCO through December 31, 2022 and at the option of SP Calatagan after December 31, 2035, provided the cumulative dividends are paid. Unpaid dividends are entitled to compounded interest at 9.5% per annum until fully paid. As at December 31, 2024 and 2023, undeclared dividends on the SP Calatagan preferred shares amounted to ₱513.4 million and ₱256.7 million, and accumulated interest recorded amounted to ₱36.7 million and ₱12.3 million, respectively.

#### *WESC*

On December 23, 2019, SP Calatagan entered into WESC No. 2019-10-126 with the DOE granting SP Calatagan the exclusive right to explore, develop and utilize the wind energy resource with the contract area covering a total of 486 hectares. The WESC allows for five (5) years non-extendable term for pre-development within which the developer should be able to declare commerciality.

#### *GEAP*

On June 24, 2022, SP Calatagan was awarded as one of the winning bidders by the DOE on its First Green Energy Auction Round. SP Calatagan will supply the electricity from the 30 MW Calatagan Wind Project. The winning bids under the GEAP, which are expected to commence operations between 2023 and 2025, will be awarded 20-year power supply agreements. SP Calatagan submitted a performance bond amounting to ₱571.1 million valid until August 1, 2024.

#### SP Tarlac

SP Tarlac is also registered with the BOI and is entitled to 7-year ITH beginning September 12, 2019.

The Parent Company acquired the shares of SP Project Holdings in SP Tarlac on May 15, 2023.

All of the common shares of SP Tarlac are held by the Parent Company while all redeemable preferred shares totaling ₱1,500.0 million are held by Prime Metro Holdings Corporation (“Prime Metro”). Such redeemable preferred shares are non-voting and entitled to cumulated fixed dividend at a rate of 12% per annum, subject to availability of retained earnings and approval of the BOD. These shares are redeemable at the option of SP Tarlac after five (5) years from issuance and convertible to common stock equivalent to 50% equity at the option of Prime Metro.

As at December 31, 2024 and 2023, cumulative undeclared dividends on the SP Tarlac’s preferred shares amounted to ₱769.9 million and ₱589.9 million, respectively.



#### Terra Solar

Terra Solar was incorporated and registered with the SEC on June 21, 2021 primarily to generate and supply solar energy.

On October 16, 2024, the Parent Company assigned its advances to Terra Solar amounting to ₱1.6 billion which served as partial payment of 6.1 million common shares and 597.3 million preferred shares of Terra Solar.

The following SESCOs were awarded to SPCRPI, an affiliate of Terra Solar.

<b>SESC No.</b>	<b>Award Date</b>	<b>Project Name</b>
2017-02-365	February 9, 2017	100 MW Iba-Palauig 1
2017-06-421	August 22, 2017	100 MW Maragondon-Naic 1
2017-06-407	August 22, 2017	140 MW San Ildelfonso, Bulacan
2017-06-405	August 22, 2017	140 MW San Rafael 1 Bulacan
2017-07-434	April 11, 2019	100 MW Santa Rosa Nueva Ecija

On June 30, 2021, SPCRPI executed a Deed of Assignment transferring all its rights and obligations to Terra Solar. On March 27, 2023, Terra Solar applied with the DOE for the approval of the assignment of the SESCOs. As of April 11, 2025, Terra Solar awaits the approval of DOE.

#### *Terra Solar Project*

On May 27, 2024, the DOE awarded Terra Solar the SEOC No. 2024-05-872 with a contract period of 25 years for the exclusive right to explore and develop the Terra Solar Project located in Gapan City, General Trio and Penaranda, Nueva Ecija and San Miguel and Dona Remedios, Bulacan. On the same date, the DOE issued the Certificate of Registration (“COR”) under the name of Terra Solar.

The Terra Solar Project is a 3,500 MW<sub>p</sub> solar project which comprises of 2,500 MW<sub>ac</sub> solar project and 1,125 MW Battery Energy Storage System (“BESS”). Terra Solar targets the Terra Solar Project to commence operations by February 2026.

On August 13, 2024, the BOI issued COR No. 2024-230 to Terra Solar in accordance with the Republic Act No. 9513, or the Renewable Energy Act of 2008.

In November 2024, Terra Solar began the construction of the Terra Solar Project.

#### Terra Nueva

Terra Nueva was incorporated on August 31, 2022 primarily to invest in, purchase, or otherwise acquire, own, and hold on assets purely for investment purposes.

On December 12, 2024, the Parent Company subscribed 290.2 million preferred shares of Terra Nueva for ₱2.9 billion.

#### SP Holdings

SP Holdings was incorporated and registered with the SEC on June 9, 2021 and registered with the BIR on July 9, 2021, primarily to invest in, hold, use, sell, transfer, mortgage, pledge, exchange, or otherwise dispose of assets. SP Holdings was formed to carry on and manage the general business of any company, except as a stockbroker or dealer in securities.





Below are the significant transactions affecting the Parent Company's investments and deposits:

*Acquisition of Solar Philippines Assets*

On February 24, 2022, the BOD of the Parent Company approved the acquisition of 100% of the outstanding shares of SP Project Holdings and affiliates in various entities ("Solar Philippines Assets").

In 2023, the Parent Company executed several Deeds of Absolute Sale of Shares ("DOASS") with certain affiliates for the following transactions:

Date	Counterparty	Asset Acquired	Consideration (in millions)
May 15, 2023	SP Project Holdings	SP Tarlac	₱2,241.7
		SP Rooftop	100.7
June 9, 2023		Solar Philippines Assets	80.0
June 29, 2023		SP Calatagan	502.8
November 20, 2023	Leandro L. Leviste	SP Calatagan	249.9

On November 9, 2023, the Parent Company entered into a Deed of Donation and Acceptance with Countryside Investments Holdings Corporation ("Countryside"), whereby Countryside donated and conveyed all its rights and obligations in SP Holdings, Inc. ("SP Holdings") to the Parent Company. In 2023, the Parent Company recognized other income amounting to ₱2.9 million, equal to the market value of shares received by the Parent Company (Note 12).

On December 11, 2023, the Parent Company and SP Project Holdings executed a deed of assignment wherein SP Project Holdings assigned to the Parent Company all its rights, title and interest therein in relation to the ₱26.0 million deposit for future stock subscription in Terra Solar of SP Project Holdings (see Note 12).

Leandro L. Leviste is the major shareholder of SP Project Holdings and Countryside.

Prior to the transactions, the Parent Company has no existing interests in and to the Solar Philippines assets. The aforementioned acquisitions resulted in 100% interest in the Solar Philippines assets, except for SP Calatagan, Laguna Rooftop, and Solar Philippines Central Luzon Corporation in which the Parent Company acquired 62%, 60%, and 1% interest, respectively, excluding preferred shares in SP Tarlac.

*Acquisition of controlling interest in Terra Solar from Prime Infrastructure, Inc. ("Prime Infra")*

On December 11, 2023, the Parent Company acquired Prime Infra's 50.01% interest in Terra Solar for ₱6,000.0 million. Thereafter, Terra Solar became a wholly owned subsidiary of the Parent Company.

Prior to the acquisition, the Parent Company and Prime Infra has 49.99% and 50.01% interest, respectively, in Terra Solar. The foregoing acquisition was accounted for using acquisition method under PFRS 3, *Business Combination*.

*Transfer of ownership interest in investees to SP Project Holdings*

Pursuant to the Option Agreement executed by and among the Parent Company, SP Project Holdings and MGreen (as assignee of MGen under the Deed of Assignment and Assumption), the Parent Company has the right and option to require SP Project Holdings to purchase certain assets comprising of shares in the Parent Company's investees, excluding SP Calatagan, SP Tarlac, Terra Nueva, Terra Solar and SP Holdings (the "Put Option").



On September 3, 2024, the Parent Company executed a Deed of Absolute Sale of Shares with SP Project Holdings to sell the Parent Company's shares in the following entities ("Subject Companies") for ₱80.0 million.

- SP Rooftop
- SP Retail
- Laguna Rooftop
- SP South Luzon
- SP Tarlac Baseload
- SP Batangas
- SP Batangas Baseload
- SP Central Visayas
- SP Eastern
- SP Southern Mindanao
- SP Southern Tagalog
- SP Visayas
- SP Western
- SP Central Luzon

As a result of the sale to SP Project Holdings, the Group has fully divested its interest in the Subject Companies which resulted in a loss amounting to ₱101.3 million recognized under "Expenses and other charges" in the 2024 Parent Company statement of income (see Note 14).

#### 10. Other Noncurrent Assets

	2024	2023
Input VAT	₱150,569,771	₱135,117,799
Deferred input VAT	2,924,194	2,084,703
Others (Note 16)	15,731,840	15,689,818
	169,225,805	152,892,320
Less allowance for impairment of input VAT	(128,168)	(128,168)
	₱169,097,637	₱152,764,152

#### 11. Accounts Payable and Other Liabilities

	2024	2023
Accounts payable:		
Third parties	₱161,201,802	₱10,296,887
Related parties (Note 12)	33,347,239	16,972,319
Withholding tax payable	27,480,099	1,737,607
Retention payable (Note 12)	21,518,431	—
Accrued financial advisor fee (Note 14)	1,019,848,000	—
Accrued expenses and other payables	30,768,959	21,391,646
	₱1,294,164,530	₱50,398,459

Accounts payable are non-interest bearing and are normally settled within one year. Withholding tax payable pertains to withholding taxes on professional fees.



## 12. Related Party Transactions

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. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

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

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

Following are the Parent Company's related party transactions and the related outstanding balances as of and for the years ended December 31, 2024 and 2023:

	Transactions during the year		Outstanding balance			
	2024	2023	2024	2023	Terms	Conditions
<b>Deposit for land acquisition</b> (Note 7)						
LHHC	P=	P=	P270,000,000	P270,000,000	Deposits; non-interest bearing	Unsecured; Not impaired
PIC	–	–	267,000,000	267,000,000	-do-	-do-
			P537,000,000	P537,000,000		
<b>Retention Payable</b> (Note 11)						
					Will be settled thru performance of services	
MIESCOR	P21,518,431	P=	P21,518,431	P=		Unsecured
<b>Due from related parties</b>						
<i>Intermediate Parent Company</i>						
					Due and demandable; non-interest bearing	Unsecured; Not impaired
MGreen	P3,283,000	–	P3,283,000	P=		
<i>Subsidiaries</i>						
					Due and demandable; non-interest bearing	Unsecured; Not impaired
Terra Nueva (Note 7)	–	501,836,973	256,244,861	2,102,481,494		
Terra Solar	3,950,000,000	–	3,950,000,000	–	-do-	-do-
SPTC	56,499,430	–	56,499,430	–	-do-	-do-
SP Holdings	112,000	–	220,162,000	220,050,000	-do-	-do-
			4,482,906,291	2,322,531,494		

(Forward)



	Transactions during the year		Outstanding balance			
	2024	2023	2024	2023	Terms	Conditions
<i>Affiliates</i>						
					Due and demandable; non-interest bearing	Unsecured; Not impaired
SPCRPI	₱–	₱2,100,000	₱21,198,320	₱21,198,320	-do-	-do-
SP Rooftop	1,570,382	12,550,000	14,472,361	12,550,000	-do-	-do-
SP Batangas						
Baseload	64,680	3,200,000	3,264,680	3,200,000	-do-	-do-
SP Eastern	111,744	20,000	131,744	20,000	-do-	-do-
SP Visayas	54,320	11,000	65,320	11,000	-do-	-do-
SP Batangas	61,744	1,000	62,744	1,000	-do-	-do-
SP Project Holdings	–	–	8,700,000	8,700,000	-do-	-do-
Laguna Rooftop	352,996	–	352,996	–	-do-	-do-
SP Central Visayas	113,488	–	113,488	–	-do-	-do-
SP South Luzon	111,744	–	111,744	–	-do-	-do-
SP Tarlac Baseload	61,744	–	61,744	–	-do-	-do-
SP Western	61,744	–	61,744	–	-do-	-do-
SPREI	54,459	–	54,459	–	-do-	-do-
SP Southern						
Mindanao	51,744	–	51,744	–	-do-	-do-
SP Southern Tagalog	51,744	–	51,744	–	-do-	-do-
SP Central Luzon	15,000	5,000	20,000	5,000	-do-	-do-
SP Tagoloan	10,000	–	10,000	–	-do-	-do-
			48,784,832	45,685,320		
			₱4,534,974,123	₱2,368,216,814		
<hr/>						
<b>Due to related parties</b>						
					Due and demandable; non-interest bearing	Unsecured
SP Project Holdings	₱–	₱326,103,072	₱22,447,901	₱129,833,301	-do-	-do-
TNI	2,932,456	–	2,932,456	–	-do-	-do-
PIC	90,913	–	90,913	–	-do-	-do-
GBPC	21,844	–	21,844	–	-do-	-do-
			₱25,493,114	₱129,833,301		
<hr/>						
<b>Accounts payable</b> (Note 11)						
					Due and demandable; non-interest bearing	Unsecured
SP Project Holdings	₱8,820,000	₱26,040,000	₱13,047,700	₱4,277,700	-do-	-do-
SMSC	14,667,150	43,630,045	20,299,539	6,814,619	-do-	-do-
SP Project Holdings	–	36,000,000	–	5,880,000	-do-	-do-
					Upon issuance of the Provisional Acceptance Certificate	-do-
MIESCOR	287,909,220	–	–	–		-do-
			₱33,347,239	₱16,972,319		

a. SP Project Holdings

*Deed of Assignment with SP Project Holdings*

On January 11, 2021, a Deed of Assignment was entered into by the Parent Company, as the assignee, and SP Project Holdings, as the assignor, whereby, SP Project Holdings assigned to the Parent Company all of its rights and obligations under the September 6, 2016 lease agreement covering a total land area of 169.9 hectares, among others, and the Parent Company accepted and assumed all of the said rights and obligations thus assigned, pursuant to the said Deed of Assignment (see Note 16).



*Management Services Agreement (“MSA”) with SP Project Holdings*

On April 30, 2021, the Parent Company entered into a MSA with SP Project Holdings to provide executive and leadership support and execute its strategic direction while managing its business operations for a period from May 1, 2021 to April 30, 2024 for a monthly fee of ₱2.0 million, subject to 5% annual escalation. The MSA was not renewed upon expiration.

The MSA covers all necessary administrative and advisory services on management, investment and technical matters involving the Parent Company’s operations, including but not limited to human resources, legal, finance, and information technology.

The key administrative and finance functions are performed by SP Project Holdings through the MSA.

Management fee recognized for the years ended December 31, 2024 and 2023 amounted to ₱8.8 million and ₱26.0 million, respectively, presented as “Management fees” under “Expenses and other charges” in the Parent Company statements of income (see Note 14).

*Construction Support Services Agreement (“CSSA”) with SP Project Holdings*

On September 30, 2022, the Parent Company entered into a CSSA with SP Project Holdings wherein SP Project Holdings shall provide support services, including engineering, procurement and construction (“EPC”), logistics, warehousing and other contractor-related services during the construction of the NE 2 Project.

Construction support services recognized for the year ended December 31, 2024 and 2023, amounted to nil, and ₱36.0 million, respectively, which were capitalized as part of CIP (see Note 6).

*Intercompany Advance Agreement (“IAA”) with SP Project Holdings and Terra Nueva*

On May 5, 2023, the BOD of the Parent Company approved the authority to enter in a loan arrangement with SP Project Holdings in which SP Project Holdings may lend to the Parent Company an amount up to the net proceeds of the Share Purchase Agreement with MPIC (net of taxes, costs, and fees), under the terms and conditions approved and recommended for board approval by the Related Party Transactions Committee of the Parent Company, and the proposed on-lending from the Parent Company to Terra Nueva of the proceeds of this loan.

In June 2023, the Parent Company entered into an IAA with SP Project Holdings whereby SP Project Holdings shall extend a loan to the Parent Company wherein the latter shall exclusively use the proceeds of the loan for on-lending to Terra Nueva. Per IAA, the Parent Company shall not directly or indirectly use the proceeds of the Loan for any other purpose without SP Project Holdings’ prior written consent. The IAA shall have a term of one (1) year, subject to extension mutually agreed by the parties.

On the same date, the Parent Company entered into an IAA with Terra Nueva whereby the Parent Company shall extend a loan to Terra Nueva wherein the latter shall exclusively use the proceeds to acquire the Project Land, as defined in the IAA. Per IAA, Terra Nueva shall not directly or indirectly use the proceeds of the Loan for any other purpose without the Lender’s prior written consent. The IAA shall have a term of one (1) year, subject to extension mutually agreed by the parties.



In 2023, the Parent Company received advances from SP Project Holdings which were then subsequently advanced to Terra Nueva amounting to ₱300.0 million. In 2024, Terra Nueva settled the advances with the Parent Company. Consequently, the Parent Company settled these advances from SP Project Holdings.

*Deed of Assignment of Deposit with SP Project Holdings*

On December 11, 2023, the Parent Company and SP Project Holdings executed a Deed of Assignment wherein the latter assigned all its rights, title and interest to the former in relation to the ₱26.0 million deposit for future stock subscription in Terra Solar (see Note 9). In 2023, the Parent Company recognized other income amounting to ₱26.0 million presented as part of “Gain on assignment of investment and deposit” in the Parent Company statements of income.

b. Solar Maintenance Services Corporation (“SMSC”)

*Support Services Agreement with SMSC*

On September 29, 2022, the Parent Company entered into a Support Services Agreement with SMSC, an affiliate of the Parent Company, wherein SMSC shall provide support services during the construction and development of the NE 2 Project.

Manpower services recognized for the years ended December 31, 2024 and 2023 amounted to ₱14.6 million and ₱43.6 million, respectively, which was capitalized as part of CIP (see Note 6).

c. Meralco Industrial Engineering Services Corporation (“MIESCOR”)

*Engineering, Procurement and Construction Contract for the Transmission Lines for SPNEC*

In relation to the NE 2 Project, the Parent Company entered into an EPC contract with MIESCOR in July 2022, for the 11.4 km 230 kV transmission line necessary to connect the Parent Company’s Power Plant to the NGCP Cabanatuan Substation, and provide the necessary services, equipment and materials.

d. LHHC

*MOA with LHHC*

On April 19, 2021, the Parent Company entered into a MOA with LHHC to secure land covering a total area of 56.81 hectares for a total amount of ₱270.0 million. As of December 31, 2024 and 2023, title to the land has not been turned over to the Parent Company. Accordingly, ₱270.0 million continues to be presented as part of “Deposit for land acquisitions” in the Parent Company statements of financial position (see Note 7).

e. PIC

*MOA with PIC*

On February 20, 2021, the Parent Company entered into a MOA with PIC, which was later amended on March 3, 2021, to secure land covering a total area of 68.62 hectares for a total amount of ₱267.0 million. As of December 31, 2024 and 2023, title to the land has not been turned over to the Parent Company. Accordingly, ₱267.0 million continues to be presented as part of “Deposit for land acquisitions” in the Parent Company statements of financial position (see Note 7).



f. Terra Solar

As of December 31, 2024, the Parent Company made cash advances to Terra Solar to fund its payables amounting to ₱3,950.0 million.

- g. In 2024 and 2023, the Parent Company has amounts due to and from its related parties arising from expense reimbursements for working capital requirements.



### 13. Equity

#### Capital Stock and Additional Paid-in Capital

The details of the Parent Company's capital stock as of December 31, 2024 and 2023 are as follows:

	2024				2023			
	Common stock (₱0.1 par value)		Preferred stock (₱0.01 par value)		Common stock (₱0.1 par value)		Preferred stock (₱0.01 par value)	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Authorized:								
Balances at beginning of year	50,000,000,000	₱5,000,000,000	–	₱–	10,000,000,000	₱1,000,000,000	–	₱–
Increase in authorized capital stock	25,000,000,000	2,500,000,000	25,000,000,000	250,000,000	40,000,000,000	4,000,000,000	–	–
Balances at end of year	75,000,000,000	₱7,500,000,000	25,000,000,000	₱250,000,000	50,000,000,000	₱5,000,000,000	–	₱–
Issued and outstanding:								
Balances at beginning of year	34,373,050,000	₱3,437,305,000	–	₱–	10,000,000,000	₱1,000,000,000	–	₱–
Issuance of shares	15,700,000,000	1,570,000,000	19,404,202,552	194,042,026	24,373,050,000	2,437,305,000	–	–
Balances at end of year	50,073,050,000	₱5,007,305,000	19,404,202,552	₱194,042,026	34,373,050,000	₱3,437,305,000	–	₱–
	2024		2023					
Additional Paid-in Capital								
Balances at beginning of year		₱5,713,764,409		₱4,938,722,430				
From issuance during the year		14,080,252,604		775,041,979				
Balances at end of year		₱19,794,017,013		₱5,713,764,409				





### *Capital Infusion*

On June 1, 2023, the SEC approved the Parent Company's application for increase in authorized capital stock from ₱1.0 billion divided into 10.0 billion common shares at ₱0.10 per share, to ₱5.0 billion divided into 50.0 billion common shares at ₱0.10 per share.

In 2023, the Parent Company received a total cash infusion from SP Project Holdings amounting to ₱3,212.3 million for the subscription of 24,373.05 million common shares. This resulted in an additional paid-in capital of ₱775.0 million and recognition of transaction costs of ₱34.9 million as direct charge against "Deficit" account in the parent company statement of financial statement.

### *Increase in Authorized Capital Stock*

At its October 11, 2023 meeting, the BOD of the Parent Company approved the following:

- a. Amendment of its Articles of Incorporation to increase its authorized capital stock from 50 billion common shares with par value of ₱0.10 per share to 75 billion common shares with par value of ₱0.10 per share and 25 billion preferred shares with par value of ₱0.01 per share, divided into Class A preferred shares and Class B preferred shares.
  - i. The BOD shall determine: (a) the features of the Class A preferred shares (whether voting or non-voting) at each issuance of the Class A preferred shares; (b) the frequency of issuance of Class A preferred shares (which may be issued in one or more series), and (c) the preference as to redemption, dividends and other preferences for each issuance of Class A preferred shares. The Class A preferred shares shall not have pre-emptive rights over other issuances or re-issuance of preferred shares or common shares
  - ii. Class B preferred shares shall be (a) voting; (b) non-cumulative; (c) not entitled to any economic returns or dividends; (d) redeemable at the option of the Parent Company, at issue price, at such terms and conditions as may be determined by the BOD (and shall be immediately retireable upon redemption thereof); and (e) in the event of the liquidation, dissolution or winding up of the Parent Company (whether voluntary or involuntary), Class B preferred shares shall have preference over the common shares in respect of the assets of the Parent Company available for distribution after payment of the liabilities of the Parent Company;
- b. Authorization to execute an agreement for an investor to subscribe to shares in the Parent Company to support the above-mentioned increase in authorized capital stock.
- c. Conduct of a Follow-On Offering with an aim to support the expansion of the Parent Company's project portfolio and increase the public ownership of its shares.

These were subsequently approved by the stockholders of the Parent Company on December 4, 2023.

On December 6, 2023, the Parent Company filed its application for the aforementioned increase in authorized capital stock with the SEC which was approved by the SEC on January 17, 2024.

In 2023, the Parent Company paid filing fees amounting to ₱32.1 million, which was presented as "Deferred stock issuance cost" under "Other current assets" (see Note 5) as at December 31, 2023, and was charged against additional paid-in capital.



*Investment by MGreen*

On October 12, 2023, the Parent Company and SP Project Holdings entered into an Option Agreement with MGen which grants MGen the option to subscribe, out of the second increase in authorized capital stock, (i) 15.7 billion common shares with subscription price of ₱1.0 per share and (ii) 19.4 billion preferred shares with subscription price of ₱0.01 per share for a total subscription price of ₱15.9 billion. On the same date, MGen, by virtue of a Deed of Assignment and Assumption, assigned all its rights and obligations under the Option Agreement to MGreen. On November 30, 2023, the Parent Company executed the related Subscription Agreement with MGreen.

On December 27, 2023, MGreen completed the acquisition of 50.53% voting equity interest of the Parent Company with the full payment of the common and redeemable voting preferred shares subscription price. On the same date, MGreen appointed its five (5) nominees in the BOD of SPNEC, out of the total nine (9) directors, while SP Project Holdings retained its two (2) appointed directors.

As of December 31, 2023, the Parent Company presented the cash subscription amounting to ₱15.9 billion as “Deposits for future stock subscription” under Equity in the statement of financial position. Upon the SEC’s approval of the application for increase in authorized capital stock in January 2024, the Parent Company issued the 15.7 million common shares at subscription price of ₱ 1.0 per share and 19.4 billion preferred shares with subscription price of ₱0.01 per share. Consequently, the amount in excess of par value totaling to ₱14.1 billion is presented as additional paid-in capital, net of stock issuance costs amounting to ₱50.0 million.

On January 26, 2024, MGreen has acquired an additional 2.17 billion common shares or equivalent to ₱2.5 billion from SP Project Holdings, which increased MGreen’s voting equity interest in the Parent Company to 53.66%.

On June 10, 2024, the BOD of the Parent Company approved the filing of its listing applications with the PSE covering a total of 40,073,050,000 common shares, which the PSE issued a notice of approval for the listing application on October 23, 2024. The shares were listed on March 6, 2025. Pursuant to Article V, Part A, Section 8 of the PSE Consolidated Listing and Disclosure Rules, as amended and shall be locked up and, therefore, not available for trading for 180 days or until September 2, 2025.

As of December 31, 2024 and 2023, the Parent Company has 31 and 25 common stockholders, respectively.

#### 14. Expenses and Other Charges

a. General and administrative expenses

	2024	2023
Professional fees	<b>₱1,111,109,814</b>	₱58,516,278
Management fees (Note 12)	<b>8,820,000</b>	26,040,000
Taxes and licenses	<b>10,274,052</b>	17,424,371
Interest accretion of lease liabilities (Note 16)	<b>9,501,770</b>	9,241,144
Depreciation and amortization (Note 6)	<b>5,209,905</b>	5,209,905
Insurance	<b>4,918,988</b>	5,183,160
Utilities	<b>1,486,772</b>	—
Rentals (Note 16)	<b>1,053,254</b>	8,046,250
Supplies	<b>199,209</b>	148,995
Others - net	<b>32,377,794</b>	10,231,636
	<b>₱1,184,951,558</b>	₱140,041,739



In 2024, the Parent Company engaged a third party financial advisor in relation to the investment of a third party investor in a subsidiary. Total professional fees to the third party amounted to ₱1,019.8 million. The amount remains outstanding as of December 31, 2024.

Other expenses include notarial fees, trust fees, utilities, advertising, travel, regulatory fees and bank charges.

b. Other charges

	2024	2023
Losses on:		
Sale of equity investments (Note 9)	<b>₱101,265,374</b>	₱—
Replacement power contract (Note 21)	<b>1,765,377</b>	—
	<b>₱103,030,751</b>	₱—

## 15. Income Taxes

The reconciliation of income tax benefit at the statutory income tax rates to the provision for income tax are as follows:

	2024	2023
Income tax benefit at statutory income tax rate of 10%	<b>(₱98,835,465)</b>	(₱10,407,705)
Adjustments for:		
Movements in unrecognized deferred income tax assets	<b>84,375,330</b>	20,403,105
Nondeductible expenses	<b>44,422,901</b>	578,404
Interest income subject to final tax	<b>(29,962,766)</b>	(710,469)
Transaction costs charged to APIC and deficit	—	(6,060,520)
Nontaxable income	—	(2,886,000)
	<b>₱—</b>	<b>₱916,815</b>

The components of the Parent Company's recognized deferred income tax assets and liabilities follow:

	2024	2023
Deferred income tax asset on lease liability	<b>₱28,039,910</b>	₱28,039,910
Deferred income tax liability on ROU asset	<b>(18,748,903)</b>	(18,748,903)
	<b>₱9,291,007</b>	<b>₱9,291,007</b>

As of December 31, 2024, the Parent Company has NOLCO for which no deferred income tax assets have been recognized as follows:

Period Incurred	Valid Until	Amount
January 1 to December 31, 2024	December 31, 2027	₱843,753,299
January 1 to December 31, 2023	December 31, 2026	194,599,519
July 1, 2022 to December 31, 2022	December 31, 2025	64,803,534
July 1, 2021 to June 30, 2022	June 30, 2027	172,229,330
January 1 to June 30, 2021	June 30, 2026	6,762,211
January 1 to December 31, 2020	December 31, 2025	7,162,169
		<b>₱1,289,310,062</b>



The movements in NOLCO are as follows:

	2024	2023
Balances at beginning of year	<b>₱445,556,763</b>	₱250,957,244
Additions	<b>843,753,299</b>	194,599,519
Balances at end of year	<b>₱1,289,310,062</b>	₱445,556,763

No deferred income tax asset was recognized on the carryforward benefits of NOLCO as of December 31, 2024 and 2023 amounting to ₱1,289.3 million and ₱445.6 million, respectively, as management estimates that there would be no sufficient future taxable income yet to allow all or part of the deductible temporary difference to be utilized prior to their expiration.

*Bayanihan to Recover as One Act (Bayanihan 2)*

On September 30, 2020, the BIR issued Revenue Regulation (“RR”) No. 25-2020 implementing Section 4 (bbb) of Bayanihan 2 which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

*Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the “Corporate Recovery and Tax Incentives for Enterprises (CREATE)” Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, the Parent Company recognized MCIT using the effective rate of 2.0% and 1.5% in 2024 and 2023, respectively, in accordance with RMC 69-2023.

## 16. Leases

- a. In 2019, the Parent Company entered into a land lease agreement with various landowners to develop solar farm projects in Peñaranda, Nueva Ecija for a total area of 95.8 hectares. The land was made available for use on January 1, 2019 with a one (1) year rent-free period plus 25-year term. Further, the lease is subject for renewal of 5 years upon mutual agreement by the parties.
- b. On January 11, 2021, a Deed of Assignment was entered between the Parent Company, as the assignee, and SP Project Holdings, as the assignor, whereby, SP Project Holdings assigned all of its rights and obligations under the September 6, 2016 lease agreement for certain parcels of land with a total area of 179.6 hectares in Peñaranda, Nueva Ecija. The Parent Company accepted and assumed all of the said rights and obligations thus assigned, in pursuance of the said Deed of Assignment (see Note 12). Further, as agreed by the parties, the lease of the updated total land area of 169.9 hectares commenced in March 2021.

In May 2021, the Parent Company entered into a land lease agreement with various landowners to develop solar farm projects in Peñaranda, Nueva Ecija for a total area of 81.75 hectares. The land was made available for use on the execution date of the contract with a one (1) year rent-free period plus 25-year term. Further, the lease is subject for renewal of 5 years upon mutual agreement by the parties.



- c. Lease liabilities as of December 31, 2024 and 2023 are as follows:

	2024	2023
Balances at beginning of year	<b>₱291,009,949</b>	₱303,138,420
Interest expense capitalized to CIP*	<b>10,030,450</b>	9,894,775
Interest expense (Note 14)	<b>9,501,770</b>	9,241,144
Payments	<b>(19,346,845)</b>	(14,647,543)
Adjustments	–	(16,616,847)
Total lease liabilities	<b>291,195,324</b>	291,009,949
Current portion of lease liabilities	<b>16,545,230</b>	4,490,610
Noncurrent portion of lease liabilities	<b>₱274,650,094</b>	₱286,519,339

\*Incurred during the construction period (see Notes 1 and 6)

- d. The following are the amounts recognized for the years ended December 31, 2024 and 2023 in the Parent Company statements of income:

	2024	2023
Interest accretion of lease liabilities	<b>₱9,501,770</b>	₱9,241,144
Amortization of ROU assets (Note 6)	<b>5,168,385</b>	5,168,385
Expenses related to leases of low value assets (included in “Expenses and other charges”, Note 14)	<b>1,053,254</b>	8,046,250
Total amounts recognized in the Parent Company statements of income	<b>₱15,723,409</b>	₱22,455,779

- e. As of April 11, 2025, 352.42 hectares of leased lands have DAR Order, out of which 169.9 hectares are with DAR Certificate of Finality Order.

## 17. Financial Instruments and Financial Risk Management

### Financial Risk Management Objectives and Policies

The Parent Company’s principal financial instruments comprise of cash in banks, short-term deposits, short-term investments, bonds, subscription receivable, interest receivable, due from related parties, accounts payable and other liabilities, due to related parties and lease liabilities. 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 and credit risks from the uses of its financial instruments. The BOD reviews and approves the policies for managing this risk as summarized below:

### *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.



With respect to the credit risk arising from other financial assets of the Parent Company, which comprise cash in banks, short-term deposits, short-term investments, bonds, subscription receivable, interest receivable, and due from related parties, the Parent Company's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments as of December 31, 2024 and 2023, are as follows:

	2024	2023
Cash in banks <sup>1</sup>	₱138,906,849	₱38,101,023
Short-term deposits <sup>2</sup>	3,012,625,000	9,765,000,000
Short-term investments <sup>3</sup>	15,000,000	—
Bonds <sup>3</sup>	15,552,038	15,552,038
Subscriptions receivable	1,319,056	1,319,056
Interest receivables <sup>3</sup>	5,070,203	—
Due from related parties	4,534,974,123	2,368,216,814
	<b>₱7,723,447,269</b>	<b>₱12,188,188,931</b>

<sup>1</sup>Excluding cash on hand

<sup>2</sup>Included in cash and cash equivalents

<sup>3</sup>Included in other current assets

#### *Cash and cash equivalents and short-term deposits*

For cash and cash equivalents and short-term investment, the Parent Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Parent Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Parent Company uses the ratings from the external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

#### *Due from related parties, bonds, short-term investment, interest receivable and subscriptions receivable*

The Parent Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The credit quality is further classified and assessed by reference to historical information about each of the counterparty's historical default rates. Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, the Parent Company has assessed that the outstanding balances are exposed to low credit risk. ECL on these balances have therefore been assessed as insignificant.

As of December 31, 2024 and 2023, the aging analysis per class of financial assets were past due is as follows:

	Neither past due nor impaired	Past due but not impaired			2024 Total
		Less than 30 days	31 to 60 days	More than 60 days	
Cash and cash equivalents <sup>1</sup>	₱3,151,531,849	₱—	₱—	₱—	₱3,151,531,849
Subscriptions receivable	1,319,056	—	—	—	1,319,056
Interest receivable <sup>2</sup>	5,070,203	—	—	—	5,070,203
Due from related parties	4,534,974,123	—	—	—	4,534,974,123
Bonds <sup>2</sup>	15,552,038	—	—	—	15,552,038
Short-term investment <sup>2</sup>	15,000,000	—	—	—	15,000,000
	<b>₱7,723,447,269</b>	<b>₱—</b>	<b>₱—</b>	<b>₱—</b>	<b>₱7,723,447,269</b>

<sup>1</sup>Excluding cash on hand

<sup>2</sup>Included in other current assets



	Neither past due nor impaired	Past due but not impaired			2023 Total
		Less than 30 days	31 to 60 days	More than 60 days	
Cash and cash equivalents <sup>1</sup>	₱9,803,101,023	₱—	₱—	₱—	₱9,803,101,023
Subscriptions receivable	1,319,056	—	—	—	1,319,056
Due from related parties	2,368,216,814	—	—	—	2,368,216,814
Bonds <sup>2</sup>	15,552,038	—	—	—	15,552,038
	₱12,188,188,931	₱—	₱—	₱—	₱12,188,188,931

<sup>1</sup>Excluding cash on hand

<sup>2</sup>Included in other current assets

### Liquidity risk

Liquidity risk is the risk that the Parent Company will not be able to meet its financial obligations as they fall due. The Parent Company's objectives to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking adverse effect to the Parent Company's credit standing.

The Parent Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility. As part of its liquidity risk management, the Parent Company regularly evaluates its projected and actual cash flows.

The tables below show the maturity profile as of December 31, 2024 and 2023 of the Parent Company's financial assets used for liquidity purposes based on contractual undiscounted cash flows, and financial liabilities based on contractual undiscounted payments:

	December 31, 2024				
	On Demand	< 1 Year	1 to 5 Years	More than 5 Years	Total
	(In Thousand Pesos)				
Financial assets at amortized cost:					
Cash in banks <sup>1</sup>	₱138,907	—	—	—	₱138,907
Short-term deposits	—	3,012,625			3,012,625
Short-term investments	—	15,000	—	—	15,000
Subscriptions receivable	1,319	—	—	—	1,319
Interest receivable <sup>2</sup>	5,070	—			5,070
Due from related parties	4,534,974	—	—	—	4,534,974
Bonds <sup>2</sup>	—	15,552	—	—	15,552
	₱4,680,270	₱3,043,177	₱—	₱—	₱7,723,447
Financial liabilities at amortized cost:					
Accounts payable and other liabilities <sup>3</sup>	₱—	₱1,266,684	₱—	₱—	₱1,266,684
Due to related parties	25,493	—	—	—	25,493
Lease liabilities <sup>4</sup>	19,774	25,401	98,899	499,399	643,473
	₱45,267	₱1,292,085	₱98,899	₱499,399	₱1,935,650

<sup>1</sup>Excluding cash on hand

<sup>2</sup>Included in other current assets

<sup>3</sup>Excluding statutory payables

<sup>4</sup>Includes future interest payments



	December 31, 2023				
	On Demand	< 1 Year	1 to 5 Years	More than 5 Years	Total
	(In Thousand Pesos)				
Financial assets at amortized cost:					
Cash and cash equivalents <sup>1</sup>	P9,803,101	P—	P—	P—	P9,803,101
Subscriptions receivable	1,319	—	—	—	1,319
Due from related parties	2,368,217	—	—	—	2,368,217
Bonds	15,552	—	—	—	15,552
	P12,188,189	P—	P—	P—	P12,188,189
Financial liabilities at amortized cost:					
Accounts payable and other liabilities	P—	P48,661	P—	P—	P48,661
Due to related parties	129,833	—	—	—	129,833
Lease liabilities <sup>2</sup>	—	9,940	82,815	520,821	613,576
	P129,833	P58,601	P82,815	P520,821	P792,070

<sup>1</sup>Excluding cash on hand

<sup>2</sup>Includes future interest payments

### 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 (excluding cash on hand), interest receivable, subscription receivable, due from related parties, bonds (included under other current assets), accounts payable and other liabilities and due to a related party*

The carrying amounts of these financial instruments approximate their fair values due to their short-term maturities.

### Capital Management

The Parent Company manages its capital structure and makes adjustments to it, in light of changes in business and economic conditions. To maintain or adjust the capital structure, the Parent Company may issue new shares. No significant changes have been made in the objectives, policies and processes of the Group for the years ended December 31, 2024 and 2023.

The Parent Company considers the following as its core capital:

	2024	2023
Common stock	₱5,007,305,000	₱3,437,305,000
Additional paid-in capital	19,794,017,013	5,713,764,409
Deficit	(1,249,958,207)	(261,603,554)
	₱23,551,363,806	₱8,889,465,855

As of December 31, 2024 and 2023, the Parent Company was able to meet its capital management objectives.

## **18. Basic/Diluted Loss Per Share**

The basic/diluted loss per share amounts were computed as follows:

	2024	2023
(a) Net loss attributable to equity holders of the Parent Company	₱988,354,653	₱104,993,864
(b) Weighted average number of common shares outstanding	50,073,050,000	24,217,612,500
Basic/diluted loss per share (a/b)	₱0.0197	₱0.0043





The Parent Company does not have any dilutive potential common shares as at December 31, 2024 and 2023.

---

## 19. Significant Laws

### 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, 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.

Department Circular No. 2022-11-0034

In November 2022, the DOE issued Department Circular No. 2022-11-0034 which amends the Implementing Rules and Regulations of the Act. The amendment removes the nationality requirement imposed on the business engaged in the exploration, development, and utilization of solar, wind, hydropower and ocean energy, thereby allowing the entry of foreign capital into the country's renewable energy industry.



## 20. Changes in Liabilities Arising From Financing Activities

	January 1, 2024	Cash flows	Others (Note 16)	December 31, 2024
Due to related parties	₱129,833,301	(₱104,340,187)	₱–	₱25,493,114
Lease liabilities	291,009,949	(19,346,845)	19,532,220	291,195,324
<b>Total liabilities from financing activities</b>	<b>₱420,843,250</b>	<b>(₱123,687,032)</b>	<b>₱19,532,220</b>	<b>₱316,688,438</b>

	January 1, 2023	Cash flows	Others (Note 16)	December 31, 2023
Due to a related party	₱22,770,229	₱361,103,072	(₱254,040,000)	₱129,833,301
Lease liabilities	303,138,420	(14,647,543)	2,519,072	291,009,949
<b>Total liabilities from financing activities</b>	<b>₱325,908,649</b>	<b>₱346,455,529</b>	<b>(₱251,520,928)</b>	<b>₱420,843,250</b>

## 21. Contracts and Commitments

### *Renewable Power Supply Agreement with Angeles Electric Corporation (“AEC”)*

On February 7, 2022, the Parent Company secured a 10-year Offtake Agreement with AEC, a distribution utility in Pampanga Province, under which the Parent Company will supply AEC 97.8 MWh daily, representing a portion of the NE 2 Project’s capacity to supply energy once completed. The Offtake Agreement awarded is for a term of ten (10) years commencing on March 26, 2023, or upon ERC approval, whichever comes later.

On January 23, 2023, the Parent Company and AEC jointly filed the PSA with the ERC. ERC issued an interim relief promulgated June 6, 2023, docketed August 30, 2024, and received by the parties on September 2, 2024. This interim relief is put in effect for a period of one (1) year beginning November 26, 2024.

The Parent Company provided a performance bond in relation to the project amounting to ₱15.0 million valid until August 10, 2024. This was renewed until November 26, 2025.

As of December 31, 2024 and 2023, performance bond amounted to ₱15.0 million was presented as part of “Bonds” under “Other current assets” in the Parent Company statements of financial position (see Note 5).

### *Supply of Replacement Power between Greentech Solar Energy, Inc. (GSEI), AEC and SPNEC*

In 2024, the Parent Company entered into a supply of replacement power agreement with GSEI commencing November 26, 2024 and shall be effective until June 30, 2025 or until the Renewable Energy Power Agreement under the GEA-2 commences, whichever is later.

GSEI shall deliver replacement power to AEC from the 19.8MW Solar Power Facility located in Brgy. Pesa, Bongabon, Nueva Ecija, for and on behalf of the the Parent Company at the price of ₱4.2380/kWh and in accordance with the nomination instruction of the AEC. Any difference in the cost of procurement of replacement power shall be billed and paid by the Parent Company.



*Green Energy Auction Program (“GEAP”)*

On June 24, 2022, the Parent Company was awarded as one of the winning bidders by the DOE on its First Green Energy Auction Round. The Parent Company will supply the electricity from the 280MW<sub>dc</sub> NE 2 Project. The winning bids under the GEAP, which are expected to commence operations between 2023 and 2025, will be awarded 20-year power supply agreements. In 2022, the Parent Company submitted a surety bond as one of the requirements for the bidding process. Also, the Parent Company submitted a performance bond amounting to ₱2,765.8 million valid until August 1, 2024.

Total premiums paid were ₱3.0 million and ₱5.0 million in 2024 and 2023, respectively. The unamortized portion of the premium included as prepaid premium amounted to nil and ₱3.0 million as of December 31, 2024 and 2023, respectively (see Note 5).

*Memorandum of Agreements (“MOA”) between SP Project Holdings, Prime Infra and Prime Metro*

On February 9, 2023, the BOD of the Parent Company approved the MOAs between SP Project Holdings, Prime Infra and Prime Metro for their joint ventures in Terra Solar, Solar Tanauan Corporation (“Solar Tanauan”), and SP Tarlac. The MOAs cover the following:

- a. Amendments to the Shareholders’ Agreement of Terra Solar between SP Project Holdings and Prime Infra to streamline the decision-making process and reach agreements efficiently and commercially via deadlock resolution mechanisms. On this basis, the parties agreed to continue their joint venture in Terra Solar. Terra Solar has signed a 850 MW<sub>ac</sub> Mid-Merit PSA with Meralco with a scheduled delivery date by the first quarter of 2026, and plans to break ground within 2023.
- b. Sale of common shares in Solar Tanauan by SP Project Holdings to Prime Infra for ₱1.0 billion upon execution of the agreements, which would result in Prime Infra owning 100% of Solar Tanauan (with the proceeds of this sale going to the Parent Company after the share swap, subject to regulatory approval). Solar Tanauan has a PSA with Meralco for 50 MW<sub>ac</sub>, has secured over 140 hectares of land, and is currently under construction.
- c. Redemption or purchase of preferred shares in SP Tarlac of Prime Infra by SP Tarlac or SP Project Holdings for ₱1.5 billion plus accrued dividends on or before March 31 2024, which, with additional equity, would result in SP Project Holdings (or SPNEC after the share swap) owning 100% of SP Tarlac. SP Tarlac has a PSA with Meralco for 85 MW<sub>ac</sub>, has secured over 140 hectares of land, and currently has 100 MW operating and 50 MW under construction.

Terms of the MOAs applied to the Parent Company upon the completion of its share swap with SP Project Holdings.

*Deed of Assignment between SP Project Holdings and SPNEC*

On May 16, 2023, a Deed of Assignment was entered between the Parent Company, as the assignee, and SP Project Holdings, as the assignor, whereby the latter assigned all its rights and obligations under the February 9, 2023 MOA with SP Project Holdings, Prime Infra, Prime Metro and SP Tarlac, including but not limited to SP Project Holdings’ right to purchase Prime Metro’s preferred shares in SP Tarlac on or before March 31, 2024. As of April 11, 2025, there have been no changes regarding SP Project Holdings’ right to purchase Prime Metro’s preferred shares in SP Tarlac.



*Exchangeable Note Facility Agreement between MGreen and SP Project Holdings*

On September 2, 2024, MGreen extended a loan to SP Project Holdings amounting to ₱6,700,000,050, to be repaid at maturity by 5.8 billion SPNEC common shares currently held by SP Project Holdings at maturity. An additional loan of ₱800.0 million will be extended to SP Project Holdings upon the occurrence of either:

- SPNEC's Follow-on Offering or Equity Offering at a price per share equal to or greater than ₱1.45; or
- Terra Solar Sale at a price per share equal to or greater than the price implied by a 100% equity valuation of Terra Solar of ₱12,000.0 million.

---

**22. Supplementary Information Required Under Revenue Regulation (RR) No. 15-2010**

On November 25, 2010, the Bureau of Internal Revenue (BIR) issued R.R. No. 15-2010 to amend certain provisions of R.R. No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements accompanying the tax returns.

In compliance with the requirements set forth by R.R. No. 15-2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year (TY) 2024.

VAT

The Company has no output VAT for the year ended December 31, 2024.

The movements in input VAT paid by the Company for the year ended December 31, 2024 are shown below:

The amount of input VAT claimed is broken down as follows:

Balance as of January 1	₱135,117,799
Domestic purchase of services	16,538,170
Total	151,655,969
Application against output VAT	—
Balance as of December 31	₱151,655,969

Taxes, Licenses and Documentary stamp tax

Real property tax SEC	₱7,715,124
Local business tax and permits	1,047,061
Regulatory fees	1,349,119
Documentary stamp tax	194,413
Total	₱10,305,717

Withholding Taxes

In 2024, the Parent Company withheld tax on income payments amounting to ₱11.37 million.

Tax Assessments

The Company has no outstanding tax assessments from the BIR and tax cases in courts or other regulatory bodies outside of the BIR as at December 31, 2024.



**SP NEW ENERGY CORPORATION****(A Subsidiary of MGen Renewable Energy, Inc.)****SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS****AVAILABLE FOR DIVIDEND DECLARATION****DECEMBER 31, 2024**

Unappropriated retained earnings, beginning of the period (P261,603,554)

**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 (describe nature)

—

—

—

—

**Less:** Category B: Items that are directly debited to Unappropriated

Retained Earnings

Dividend declaration during the reporting period

Reversal of retained earnings appropriation/s

Effect of restatements or prior-period adjustments

Others (describe nature)

—

—

—

—

—

Unappropriated Retained Earnings, as adjusted

(P261,603,554)

**Add:** Net Income for the current year

(988,354,653)

**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

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

—

—

—

—

—

—

Sub-total

—

**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

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 realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS

—

—

—

—

—

Sub-total

—

<b>Add:</b> Category C.3: Unrealized income recognized in profit or loss in prior 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 (describe nature)	—
Sub-total	—
<b>Adjusted Net Income</b>	<b>(1,249,958,207)</b>
<b>Add:</b> Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	—
Sub-total	—
<b>Add/Less:</b> 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 (describe nature)	—
Sub-total	—
<b>Add/Less:</b> 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 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	—
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	—
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—
Sub-total	(1,249,958,207)
<b>TOTAL RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION, END OF REPORTING PERIOD</b>	<b>(₱1,249,958,207)</b>

## ANNEX “C”

### Related Party Transactions in 2024

	Transactions during the year		Balance as of December 31		Terms	Conditions
	2024*	2023	2024	2023		
<b>Trade and other receivables</b> (Note 5)						
	₱		₱	₱	Trade receivables	Unsecured and will be settled in cash
Meralco	465,458,405		– 75,692,579	78,595,394		On demand; unsecured;
Metro Nueva Ecija Corporation (“MNEC”)	445,570,585		– 78,684,200		Non-trade – receivables	no impairment
PIC	2,871,392		– 2,871,392		– -do-	-do-
			₱	₱		
			157,248,171	78,595,394		
<b>Deposits for land acquisition</b> (Note 9)						
Individual Stockholder	₱–	₱	₱	₱	Deposits; non-interest bearing	Unsecured; Not impaired
		421,618,085	421,618,085	421,618,085		
LHHC	–	–	270,000,000	270,000,000	-do-	-do-
PIC	–	–	267,000,000	267,000,000	-do-	-do-
			₱	₱		
			958,618,085	958,618,085		
<b>Due from related parties</b>						
<i>Intermediate Parent Company</i>						
MGreen	₱3,868,729	₱–	₱3,868,729	₱–	Due and demandable ; non-interest bearing	Unsecured; Not impaired
<i>(Forward)</i>						
<i>Affiliates</i>						
		₱	₱	₱		
SP Project Holdings	₱–	81,433,396	85,708,958	87,967,930	-do-	-do-
Solar Philippines Commercial Rooftop Projects, Inc. (“SPCRPI”)*		– 2,100,000	31,398,913	31,654,070	-do-	-do-
SP Rooftop*	1,570,382		– 14,472,361		– -do-	-do-
Individual Stockholder	–	7,293,310	7,293,310	7,293,310	-do-	-do-
SP Batangas Baseload*	64,680		– 3,264,680		– -do-	-do-



	Transactions during the year		Balance as of December 31		Terms	Conditions
	2024*	2023	2024	2023		
Laguna Rooftop*	352,996	—	352,996	—	-do-	-do-
SP Eastern*	111,744	—	131,744	—	-do-	-do-
SP South Luzon*	111,745	—	111,745	—	-do-	-do-
SP Visayas*	54,320	—	65,320	—	-do-	-do-
SP Batangas*	61,744	—	62,744	—	-do-	-do-
SP Central Visayas*	113,488	—	113,488	—	-do-	-do-
SP Southern Tagalog*	51,744	—	51,744	—	-do-	-do-
SP Tarlac Baseload*	61,744	—	61,744	—	-do-	-do-
SP Western*	61,744	—	61,744	—	-do-	-do-
SP Retail*	54,459	—	54,459	—	-do-	-do-
SP Southern Mindanao*	51,744	—	51,744	—	-do-	-do-
Solar Philippines Central Luzon Corporation (SP Central Luzon)*	15,000	5,000	20,000	5,000	-do-	-do-
SP Southern Tagalog Corporation*	10,000	—	10,000	—	-do-	-do-
			<b>₱</b>	<b>₱</b>		
			<b>147,156,423</b>	<b>126,920,310</b>		

**Due to related parties**

					Due and demandable ; non-interest bearing	Unsecured
	<b>₱</b>		<b>₱</b>			
SP Project Holdings	<b>₱24,600</b>	326,103,072	<b>344,858,749</b>	536,656,775		
Countryside	<b>3,316,905</b>	37,552,682	<b>40,869,587</b>	37,552,682	-do-	-do-
MGen	<b>697,838</b>	—	<b>697,838</b>	—	-do-	-do-
MGreen	<b>21,908,858</b>	—	<b>221,373</b>	—	-do-	-do-
GBPC	<b>141,504</b>	—	<b>123,444</b>	—	-do-	-do-
PIC	<b>90,914</b>	—	<b>90,914</b>	—	-do-	-do-
TRHI	—	33,988,926	—	33,988,926	-do-	-do-
DGA	—	244,443	—	244,443	-do-	-do-
			<b>₱</b>	<b>₱</b>		
			<b>386,861,905</b>	<b>608,442,826</b>		

**Advances to supplier (Note 11)**

	<b>₱</b>				Will be settled thru performance of services
	<b>1,368,660,855</b>				
MIESCOR	<b>55</b>	<b>₱—</b>	<b>₱—</b>	<b>₱—</b>	EPC Contract

**Retention payable (Note 11)**

	<b>₱</b>		<b>₱</b>		Upon issuance of the
MIESCOR	<b>32,623,051</b>	<b>₱—</b>	<b>32,623,051</b>	<b>₱—</b>	EPC Contract

	Transactions during the year		Balance as of December 31		Terms	Conditions Provisional Acceptance Certificate
	2024*	2023	2024	2023		
<b>Accounts payable and accrued expenses</b>						
SP Project Holdings	<b>₱ 719,037,700</b>	<b>₱ 36,000,000</b>	<b>₱ 91,195,400</b>	<b>₱ 10,157,700</b>	Various terms not longer than one year; non-interest bearing	Unsecured
Meralco	<b>24,502,682</b>	—	<b>32,530,701</b>	12,183,924	-do-	-do-
MGreen	<b>110,753,920</b>	—	<b>23,683,272</b>	—	-do-	-do-
SMSC	<b>36,951,147</b>	85,454,482	<b>22,238,121</b>	32,869,361	-do-	-do-
GBPC	<b>27,256,279</b>	—	<b>4,465,579</b>	—	-do-	-do-
SPCRPI	—	85,714,453	—	85,714,453	-do-	-do-
SPMMC	—	—	—	547,956	-do-	-do-
MIESCOR Builders Inc.	92,078,535	—	—	—	-do-	-do-
			<b>₱ 174,113,073</b>	<b>₱ 141,473,394</b>		
<b>Other noncurrent liabilities</b>						
Meralco (Note 27)	<b>₱—</b>	<b>₱—</b>	<b>₱ 89,070,870</b>	95,428,850	Offset against revenue collections	-do-

\*Prior to September 3, 2024, transactions of these affiliates were eliminated during consolidation.

a. SP Project Holdings

Management Services Agreement (“MSA”) between SPNEC and SP Project Holdings

On April 30, 2021, the Parent Company entered into a MSA with SP Project Holdings to provide executive and leadership support and execute its strategic direction while managing its business operations for a period from May 1, 2021 to April 30, 2024, for a monthly fee of ₱2.0 million, subject to 5% annual escalation. The MSA was not renewed upon expiration.

The MSA covers all necessary administrative and advisory services on management, investment and technical matters involving the Parent Company’s operations, including but not limited to human resources, legal, finance, and information technology.

The key administrative and finance functions are performed by SP Project Holdings through the MSA. Management fee recognized for the years ended December 31, 2024, 2023 and six-month period ended December 31, 2022 amounted to ₱11.0 million, ₱26.0 million and ₱12.8 million, respectively, presented as “Management fees” under “General and administrative expenses” in the consolidated statements of income.

#### Construction Support Services Agreement (“CSSA”) with SP Project Holdings

On September 30, 2022, the Parent Company entered into a CSSA with SP Project Holdings wherein SP Project Holdings shall provide support services, including engineering, procurement and construction (“EPC”), logistics, warehousing and other contractor-related services during the construction of the Parent Company’s Phase 1 Project.

Construction support services billed for the years ended December 31, 2024 and 2023 amounted to ₱12.0 million and ₱38.0 million, respectively, which were capitalized as part of CIP.

#### Administrative Services Contract (“ASC”) between SP Calatagan and SP Project Holdings

On May 27, 2020, SP Calatagan entered into an administrative service contract with SPCRPI, an affiliate, to provide necessary and advisory services on management, investment and technical matters involving SP Calatagan’s operations, including but not limited to human resources, legal, finance and information technology. Under the contract, SP Calatagan shall pay SPCRPI a monthly fee of ₱1.0 million for a period of ten (10) years from January 1, 2020. On January 22, 2021, SPCRPI executed a Deed of Assignment transferring all of its rights and obligations under the administrative service contract to SP Project Holdings. SP Calatagan recognized professional fees amounting to ₱9.0 million and ₱12 million in 2024 and 2023, respectively, which is presented as part of “Management fees” under “General and administrative expenses” in the consolidated statements of income.

#### Intercompany Advance Agreement (“IAA”) between SPNEC, SP Project Holdings and Terra Nueva

In May 2023, the BOD of the Parent Company approved the authority to enter in a loan arrangement with SP Project Holdings in which SP Project Holdings may lend to the Parent Company an amount up to the net proceeds of the Share Purchase Agreement with MPIC (net of taxes, costs, and fees), under the terms and conditions approved and recommended for board approval by the Related Party Transactions Committee of the Parent Company, and the proposed on-lending from the Parent Company to Terra Nueva of the proceeds of this loan.

In June 2023, the Parent Company executed an IAA with SP Project Holdings whereby SP Project Holdings extended a one (1) year loan to the Parent Company wherein the latter shall exclusively use the proceeds of the loan for on-lending to Terra Nueva. Per IAA, the Parent Company shall not directly or indirectly use the proceeds of the Loan for any other purpose without SP Project Holdings’ prior written consent.

On the same date, SPNEC executed an IAA with Terra Nueva whereby the Parent Company extended a one (1) year loan to Terra Nueva which was used exclusively to acquire Project Lands, as defined in the IAA. Per IAA, Terra Nueva shall not directly or indirectly use the proceeds of the Loan for any other purpose without the Lender’s prior written consent.

In 2023, the Parent Company received advances from SP Project Holdings amounting to ₱300.0 million which were then subsequently advanced to Terra Nueva. In 2024, the Parent Company fully settled these advances from SP Project Holdings.

#### Service Agreement with Terra Solar and SP Project Holdings

On April 19, 2024, Terra Solar and SP Project Holdings entered into a Service Agreement to assist in securing permits, licenses and clearances from relevant government agencies. Terra Solar paid ₱688.0 million which was capitalized as part of “Construction in progress”.

On April 11, 2025, SP Project Holdings confirmed that the shareholder advances it made to SP

Tarlac amounting to ₱322.4 million have been assigned to the Parent Company when it subscribed to 24.37 billion of SPNEC shares in exchange for assets, which included SP Project Holdings' shares in the Company in February 2022.

b. LHHC

MOA with LHHC

On April 19, 2021, the Parent Company entered into a MOA with LHHC to secure land covering a total area of 56.81 hectares for a total amount of ₱270.0 million. As of December 31, 2024 and 2023, title to the land has not been turned over to the Parent Company. Accordingly, ₱270.0 million continues to be presented as part of "Deposits for land acquisition" in the consolidated statements of financial position.

c. PIC

MOA with PIC

On February 20, 2021, the Parent Company entered into a MOA with PIC, which was later amended on March 3, 2021, to secure land covering a total area of 68.62 hectares for a total amount of ₱267.0 million. As of December 31, 2024 and 2023, title to the land has not been turned over to the Parent Company. Accordingly, ₱267.0 million continues to be presented as part of "Deposits for land acquisition" in the consolidated statement of financial position.

d. Solar Maintenance Services Corporation ("SMSC")

Support Services Agreement between the Parent Company and SMSC

On September 29, 2022, the Parent Company entered into a Support Services Agreement with SMSC, an affiliate of the Parent Company, wherein SMSC shall provide support services during the construction and development of the Parent Company's Phase 1 Project. Manpower services recognized for the years ended December 31, 2024 and 2023 amounted to ₱19.2 million and ₱43.6 million, respectively, which were capitalized in CIP.

Property Management Agreement between SP Calatagan and SMSC

SP Calatagan has annual property management agreement with SMSC to maintain and manage the solar power plant. In January 2022, SP Calatagan renewed its contract for a period of one year until December 31, 2022. The agreement was automatically renewed and extended for another period of one year, subject to standard escalation of service fee. In 2024 and 2023, SP Calatagan recognized outside services amounting to ₱20.7 million and ₱9.9 million, respectively, presented as part of "Costs of sales and services" in the consolidated statements of income.

Operation and Maintenance Agreement between SP Tarlac and SMSC

SP Tarlac entered into an Operation and Maintenance Agreement with SMSC for the latter to operate, maintain and manage SP Tarlac's solar power plant for 20 years. For the years ended December 31, 2024 and 2023, SP Tarlac recognized manpower services amounting to ₱23.5 million and ₱14.5 million, respectively, which is presented as part of "Costs of sales and services" in the consolidated statements of income.

d. Meralco Industrial Engineering Services Corporation ("MIESCOR")

#### Contract for Works for Terra Solar

On March 1, 2024, Terra Solar and MIESCOR executed the Contract for Works to conduct geotechnical investigations for the Terra Solar Project for a contract price of ₱62.4 million.

On August 20, 2024, the parties executed the Contract for Engineering, Design, Supply, Construction, Testing and Commissioning for the Connection Assets to carry out various works for the Terra Solar Project for a contract price of ₱7.8 billion and ₱6.7 billion (US\$116.9 million) for onshore and offshore works, respectively. The construction of the connection assets is expected to be completed by October 2025.

In 2024, Terra Solar issued Limited Notices to Proceed to commence work on certain portions of the scope of works specified in the contracts.

#### Engineering, Procurement and Construction Contract for the Transmission Lines for SPNEC

In relation to the NE 2 Project, the Parent Company entered into an EPC contract with MIESCOR in July 2022, for the 11.4 km 230 kV transmission line necessary to connect the Parent Company's Power Plant to the NGCP Cabanatuan Substation, and provide the necessary services, equipment and materials.

- e. Global Business Power Corporation ("GBPC")

#### Service Agreement for Terra Solar

On July 29, 2024, Terra Solar entered into a Service Agreement with GBPC, a subsidiary of MGreen, to provide support services for project development and business operations until December 31, 2024.

Service fees incurred from GBPC amounted to ₱27.2 million presented as part of "Management fees" under "General and administrative expenses".

The service agreement was extended until June 30, 2025.

- f. MGreen

#### Service Agreement for Terra Solar

On July 29, 2024, Terra Solar entered into a Service Agreement with MGreen, to provide support services for project development and business operations until December 31, 2024. Terra Solar paid a monthly fee based on actual cost of services plus 5.0% margin. In 2024, service fees incurred amounted to ₱110.7 million, of which ₱81.3 million was capitalized as part of construction in progress (see Note 8) and ₱29.4 million was presented as part of "Management fees" under "General and administrative expenses". The service agreement is extended until June 30, 2025.

- g. MNEC

#### Master Agreement between Terra Nueva and MNEC

In 2024, Terra Nueva executed a Master Agreement with MNEC to acquire rights, interests and title over parcels of land covering a total land area of 547.25 hectares from MNEC, subject to terms and conditions, for a total contract price of ₱922.4 million.

Upon execution of the agreement, Terra Nueva paid ₱445.6 million to MNEC. Of this amount, DOAS and transfer of titles of the parcels of land amounting to ₱78.7 million have not yet been

executed. Accordingly, Terra Nueva recognized a non-trade receivable from MNEC as of December 31, 2024.

h. Individual Stockholder

MOA Individual Stockholder for SP Calatagan

On February 12, 2019, SP Calatagan entered into a MOA an Individual Stockholder to purchase 87.50 hectares of land for ₱421.6 million as part of land-related costs under “Deposits for land acquisition” account. As of December 31, 2024 and 2023, title to the land has not been turned over to SP Calatagan. Accordingly, ₱421.6 million continues to be presented as “Deposits for land acquisition” in the consolidated statement of financial position.

On June 28, 2019, the 87.50 hectares of land specified in the MOA were pledged as part of the securities to obtain a loan facility of SP Tarlac.

**ANNEX “D”**

**Sustainability Report 2024**

[Attached]

# Annex A: Sustainability Report 2024

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

## Contextual Information

Company Details	
Name of Organization	<b>SP New Energy Corporation (SPNEC)</b>
Location of Headquarters	Rockwell Business Center, Ortigas Ave., Brgy Ugong, 1604 Pasig City, Philippines
Location of Operations	<ul style="list-style-type: none"><li>• Calatagan, Batangas (SP Calatagan Corp.)</li><li>• Concepcion, Tarlac (SP Tarlac Corp.)</li><li>• Nueva Ecija (Terra Solar Philippines, Inc.)</li></ul>
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Limited to the Head Office operations of SPNEC and Site Operations of SP Calatagan and SP Tarlac
Business Model, including Primary Activities, Brands, Products, and Services	To construct, erect, assemble, commission, operate and maintain power-generating plants, warehouses, terminals, and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution
Reporting Period	Full Year 2024
Highest Ranking Person responsible for this report	Chief Compliance Officer

\*If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.

## Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics. <sup>1</sup>
<p>SPNEC's primary purpose is the development of renewable energy (RE) power facilities and the conversion of RE to usable form of electricity for generation and distribution. Materiality is limited to the Company's operation which have actual and relevant environmental, social, and/or community impact.</p> <p>In November 2023, MGEN Renewable Energy, Inc. (MGreen) entered into a Subscription Agreement to acquire shares of SPNEC. The agreement resulted to MGreen acquiring 50.53% of the total issued and outstanding capital stock of SPNEC, which was effective upon the approval application for the second increase in authorized capital stock with the SEC, this was subsequently approved on January 17, 2024.</p> <p>We note that SPNEC is in a state of transition, validation, and consolidation of its sustainability data following the acquisition of controlling stake by MGreen. The information in this report are based on matters known to the current management of SPNEC.</p> <p>Notwithstanding the foregoing, SPNEC remains committed to the objectives of this sustainability requirement and will continually improve its sustainability reporting which includes identification, monitoring, and discussion of the Company's impacts, material topics, and relevant actions in succeeding sustainability reports.</p>

<sup>1</sup> See [GRI 102-46](#) (2016) for more guidance.



## ECONOMIC

### **Economic Performance**

#### Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	1,200,134,185	PhP
Direct economic value distributed:		
a. Operating costs <sup>2</sup>	544,173,706	PhP
b. Employee wages and benefits	19,738,077	PhP
c. Payments to suppliers, other operating costs <sup>3</sup>	1,407,546,525	Php
d. Dividends given to stockholders and interest payments to loan providers	259,890,041	PhP
e. Taxes given to government	163,544,858	PhP
f. Investments to community (e.g. donations, CSR) <sup>4</sup>	163,885,108	PhP

What is the impact and where does it occur?  What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>Primary business operations.</p> <p>Impact is caused by the Company's relationship with its stakeholder.</p>	<p>Shareholders, Business Partners (such as: Suppliers, Customers, Contractors, etc.), Government, and Host Communities</p>	<p>SPNEC aims to be an enabler of renewable energy development in the Philippines. It aims to accelerate the adoption of solar energy through its projects.</p> <p>SPNEC, through its solar power plants, is committed to driving economic growth and create opportunities in the country in the forms of stable employment, social impact programs in host communities, and other positive spillover effects from the taxes paid during the development phase and commercial operations.</p> <p>The Company continues to engage with its stakeholders and has been receptive to their feedback. These are seen to influence better engagement programs of SPNEC.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Generally, the following risks may impact SPNEC's operations and</p>	<p>Shareholders, Business Partners (suppliers, customers, contractors,</p>	<p>The Management of SPNEC regularly conduct and discuss internal assessments to ensure that risks are</p>

<sup>2</sup> Excludes salaries and wages amounting to PhP 19,738,077

<sup>3</sup> Refers to General and Administrative Expenses excluding Taxes and licenses at PhP 163,544,858 and Others at PhP 163,885,108

<sup>4</sup> Includes government share, benefits to host communities, premiums, notarial fees, trust fees, utilities, representation, and other miscellaneous expenses

<p>financial performance:</p> <ol style="list-style-type: none"> <li>1. Occurrence of Climate-related events (e.g. storms, floods, earthquakes, etc.) which may impact the power plant's integrity and reliability.</li> <li>2. Market-related risks such as rising inflation, interest rate volatility, etc. which may result in higher development costs</li> <li>3. Failure to adapt to sudden regulatory changes may impede the Company's ability to service its clients.</li> <li>4. Attrition or Loss of key officers or personnels in plant operations and management</li> <li>5. Any potential claims against the Company or other unforeseen events</li> </ol>	<p>etc.), Government, and Host Communities</p>	<p>properly identified, addressed and/ or mitigated.</p> <p>Further, SPNEC's policies provide sufficient guidance on enterprise-wide risk management and oversight.</p>
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>SPNEC recognize these opportunities with respect to its business:</p> <ol style="list-style-type: none"> <li>1. To maximize the capacity of the Company's solar power plants.</li> <li>2. To expand either through organic development or investments in solar power plants.</li> </ol>	<p>Shareholders, Business Partners (suppliers, customers, contractors, etc.), Government, and Host Communities</p>	<p>SPNEC, through its subsidiary Terra Solar Philippines, Inc., is currently developing one of the largest solar power plants in the world. Through this venture, the Company is positioned to optimize opportunities in renewable energy development</p>

#### Climate-related risks and opportunities<sup>5</sup>

<b>Governance</b>	<b>Strategy</b>	<b>Risk Management</b>	<b>Metrics and Targets</b>
The Company, through its Board and Board-level Committees, has institutionalized its Corporate Governance	As a renewable energy company, SPNEC is at the forefront of mitigating	The Board and Board-level Committees are mandated to ensure compliance with its CG Manual and prevailing	While the Company is in transition, it is in the process of identifying, consolidating, and

<sup>5</sup> Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

(CG) Manual, Policies, and Strategies which serves as the primary guidance on all aspects of governance and sustainability.	risks that stem from climate change.  Mindful of the potential impacts of climate-change induced events on its business, the Company aims to maximize available technologies to monitor and mitigate risks.	environmental laws and regulations.	monitoring relevant metrics and targets.
<b>Recommended Disclosures</b>			
Not applicable	Not applicable	Not applicable	Not applicable

## Procurement Practices

### Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	n/a	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
SPNEC's diversified suppliers' base.  The Company also has a construction management services contract with its ultimate parent company, SPPPHI, which includes the procurement of its requirements.	Business Partners and Host Communities	The Company, through its sub-contractor, aims to tap local businesses and residents for its requirements for the construction and operation its solar power plant project. Through this, SPNEC spur economic activity that may lead to sustainable progress at the grassroots level.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Reliability and competence of suppliers to fulfil the requirements of its sub-contractor.  Competitiveness of the costs associated with tapping local communities in the development of the project.	Business Partners and Host Communities	The Company has manuals for construction, as well as health, safety, and welfare policies, for purposes of the development, and operations & maintenance (O&M) of its power plants. Management ensures that these are implemented and followed accordingly
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

Development and implementation of Procurement policies once the Company establishes its own Procurement unit once transition is completed.	Employees, Business Partners, and Host Communities	The Company is in the process of establishing its own procurement unit guided by a clear set of policies and rules.
--	--	---

## **Anti-corruption**

### Training on Anti-corruption Policies and Procedures

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	nil	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	nil	%
Percentage of directors and management that have received anti-corruption training	nil	%
Percentage of employees that have received anti-corruption training	nil	%

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
SPNEC's existing and potential business relationship is maintained by Directors/ Management Officers. These relationships ensure the unimpeded development/ operations of the Company and its facilities.	Directors and Management Officers, Business Partners, Government, General Public	SPNEC remains committed to improving its anti-corruption drive through its Policy on Corporate Governance and Ethics, among others.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Occurrence of corruption incident between the Company's Directors and/or Officers and a third party.	Directors and officers, External business partners, Government, General public	SPNEC's Manual on Corporate Governance and Policies on Related-party transactions, Whistle Blowing, Ethics, among others, are sufficient to ensure that this risk is properly identified, monitored, and acted upon.
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Creation of a more robust Anti-Corruption policy that will apply to all stakeholders	Directors and officers, External business partners, Government, General public	SPNEC's standards of ethical conduct is in the Corporate Governance Manual and creates a clear code of conduct and ethical business policy.

### Incidents of Corruption

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Number of incidents in which directors were removed or disciplined for corruption	nil	#

Number of incidents in which employees were dismissed or disciplined for corruption	nil	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	nil	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
SPNEC's existing and potential business relationship is maintained by Directors/ Management Officers. These relationships ensure the unimpeded development/ operations of the Company and its facilities.	Directors and Management Officers, Business Partners, Government, General Public	SPNEC remains committed to improving its anti-corruption drive through its Policy on Corporate Governance and Ethics, among others.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Possible Conflict of Interest and Bribery (receipt or offering gifts)	Directors and officers, External business partners, Government, General public	SPNEC's Manual on Corporate Governance and Policies on Related-party transactions, Whistle Blowing, Ethics, among others, are sufficient to ensure that this risk is properly identified, monitored, and acted upon.
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Creation of a more robust Anti-Corruption policy that will apply to all stakeholders	Directors and officers, External business partners, Government, General public	SPNEC's standards of ethical conduct is in the Corporate Governance Manual and create a clear code of conduct and ethical business policy.

## ENVIRONMENT

**Note:** The Company has yet to consolidate sufficient information to fully assess its environment-related sustainability metrics given its current state of transition. It bears to emphasize however, that SPNEC remains committed to the objectives of sustainability reporting and shall continually improve its sustainability reporting which include the identification, monitoring, and the discussion of the Company's impacts and relevant actions in succeeding reports.

### Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	n.a.	GJ
Energy consumption (gasoline)	7,638.50	Liters
Energy consumption (LPG)	n.a.	GJ
Energy consumption (diesel)	3,575.21	Liters
Energy consumption (electricity)	1,186,702.40	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	nil	GJ
Energy reduction (LPG)	nil	GJ
Energy reduction (diesel)	nil	GJ
Energy reduction (electricity)	nil	kWh
Energy reduction (gasoline)	nil	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	nil	Cubic meters
Water consumption	nil	Cubic meters
Water recycled and reused	nil	Cubic meters

What is the impact and where does it occur? What is the	Which stakeholders are affected?	Management Approach
---	----------------------------------	---------------------

<b>organization's involvement in the impact?</b>		
<b>Not applicable</b>	Not applicable	Not applicable
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<b>Not applicable</b>	Not applicable	Not applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<b>Not applicable</b>	Not applicable	Not applicable

#### Materials used by the organization

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Materials used by weight or volume		
• renewable	nil	kg/liters
• non-renewable	nil	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	nil	%

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Not applicable	Not applicable	Not applicable
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Not applicable	Not applicable	Not applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Not applicable	Not applicable	Not applicable

#### Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	nil	Nil
Habitats protected or restored	nil	Nil
IUCN <sup>6</sup> Red List species and national conservation list species with habitats in areas affected by operations	nil	Nil

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>

<sup>6</sup> International Union for Conservation of Nature

Not applicable	Not applicable	Not applicable
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Not applicable	Not applicable	Not applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Not applicable	Not applicable	Not applicable

## Environmental impact management

### Air Emissions

#### GHG

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Direct (Scope 1) GHG Emissions	nil	Tonnes CO <sub>2</sub> e
Energy indirect (Scope 2) GHG Emissions	nil	Tonnes CO <sub>2</sub> e
Emissions of ozone-depleting substances (ODS)	nil	Tonnes

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Not applicable	Not applicable	Not applicable
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Not applicable	Not applicable	Not applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Not applicable	Not applicable	Not applicable

#### Air pollutants

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
NO <sub>x</sub>	nil	kg
SO <sub>x</sub>	nil	kg
Persistent organic pollutants (POPs)	nil	kg
Volatile organic compounds (VOCs)	nil	kg
Hazardous air pollutants (HAPs)	nil	kg
Particulate matter (PM)	nil	kg

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Not applicable	Not applicable	Not applicable



What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

## **Solid and Hazardous Wastes**

### Solid Waste

*While the Company remains in its state of transition and endeavors to consolidate sufficient information to fully assess its environment-related impacts, it has been implementing mechanisms on waste management that enable monitoring and physical segregation.*

Disclosure	Quantity	Units
Total solid waste generated	6,410	kg
Reusable	30	kg
Recyclable	20	kg
Composted	n/a	kg
Incinerated	n/a	kg
Residuals/Landfilled	6,360	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

### Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	1,280	kg
Total weight of hazardous waste transported	n/a	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

#### Effluents

Disclosure	Quantity	Units
Total volume of water discharges	nil	Cubic meters
Percent of wastewater recycled	nil	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

#### Environmental compliance

##### Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	nil	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	nil	#
No. of cases resolved through dispute resolution mechanism	nil	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

## SOCIAL

**Note:** The Company has yet to consolidate sufficient information to fully assess its social-related sustainability metrics given its current state of transition. It bears to emphasize however, that SPNEC remains committed to the objectives of the sustainability requirements and shall continuously improve the sustainability reporting including the identification and the discussion of the Company's impacts and relevant actions in the succeeding reports.

Further, SPNEC solar plants were under a Management Service Agreement (MSA) with Solar Philippines Power Project Holdings, Inc. (SPPPHI). The agreement covers executive and leadership support, strategy execution, management of business operations from 1 May 2021 to 30 April 2024. The MSA covers all necessary administrative and advisory services on management, investment, and technical matters involving the SPNEC's operations, including, but not limited to, human resources, legal, finance, and information technology.

### **Employee Management**

#### **Employee Hiring and Benefits**

##### **Employee data**

Disclosure	Quantity	Units
Total number of employees <sup>7</sup>	193	persons
a. Number of female employees	35	persons
b. Number of male employees	158	persons
Attrition rate <sup>8</sup>	nil	rate
Ratio of lowest paid employee against minimum wage	nil	ratio

##### **Employee benefits**

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS			
PhilHealth			
Pag-ibig			
Parental leaves			
Vacation leaves			
Sick leaves			
Medical benefits (aside from PhilHealth))			
Housing assistance (aside from Pag-ibig)			
Retirement fund (aside from SSS)			
Further education support			
Company stock options			
Telecommuting			
Flexible-working Hours			
(Others)			

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	Not applicable

<sup>7</sup> Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

<sup>8</sup> Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable

#### Employee Training and Development

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total training hours provided to employees		
a. Female employees	nil	hours
b. Male employees	nil	hours
Average training hours provided to employees		
a. Female employees	nil	hours/employee
b. Male employees	nil	hours/employee

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable

#### Labor-Management Relations

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
% of employees covered with Collective Bargaining Agreements	Not applicable	%
Number of consultations conducted with employees concerning employee-related policies	Not applicable	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable

#### Diversity and Equal Opportunity

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
% of female workers in the workforce	18.13	%
% of male workers in the workforce	81.87	%

Number of employees from indigenous communities and/or vulnerable sector*	n/a	#
---	-----	---

\*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable

#### Workplace Conditions, Labor Standards, and Human Rights

##### Occupational Health and Safety

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Safe Man-Hours	1,062,746	Man-hours
No. of work-related injuries	nil	#
No. of work-related fatalities	nil	#
No. of work related ill-health	nil	#
No. of safety drills	Twice a year	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable

##### Labor Laws and Human Rights

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
No. of legal actions or employee grievances involving forced or child labor	n/a	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

<b>Topic</b>	<b>Y/N</b>	<b>If Yes, cite reference in the company policy</b>
Forced labor	n/a	
Child labor	n/a	
Human Rights	n/a	

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable

## **Supply Chain Management**

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Do you consider the following sustainability topics when accrediting suppliers?

<b>Topic</b>	<b>Y/N</b>	<b>If Yes, cite reference in the supplier policy</b>
Environmental performance	None. The Company defers to applicable laws and regulations as it enjoins its suppliers to ensure compliance.	
Forced labor	<i>same</i>	
Child labor	<i>same</i>	
Human rights	<i>same</i>	
Bribery and corruption	<i>same</i>	

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable

## Relationship with Community

### Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
None	n/a	n/a	n/a	n/a	n/a
None	n/a	n/a	n/a	n/a	n/a
None	n/a	n/a	n/a	n/a	n/a
None	n/a	n/a	n/a	n/a	n/a
None	n/a	n/a	n/a	n/a	n/a

\*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

Certificates	Quantity	Units
FPIC process is still undergoing	n/a	#
CP secured	n/a	#

What are the Risk/s Identified?	Management Approach
Not applicable	Not applicable
What are the Opportunity/ies Identified?	Management Approach
Not applicable	Not applicable

## Customer Management

### Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	n/a	n/a

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	Not applicable
What are the Risk/s Identified?	Management Approach
Not applicable	Not applicable
What are the Opportunity/ies Identified?	Management Approach
Not applicable	Not applicable



#### Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	None	#
No. of complaints addressed	None	#

\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable

#### Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	None	#
No. of complaints addressed	None	#

\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable

#### Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	None	#
No. of complaints addressed	None	#
No. of customers, users and account holders whose information is used for secondary purposes	None	#

\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>

Not applicable	Not applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable

#### Data Security

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
No. of data breaches, including leaks, thefts and losses of data	nil	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Not applicable	Not applicable

## UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Generation of Electricity	<p><b>Goal 7: Affordable and Clean Energy</b></p> <p>The Company's power plants will produce electricity purely from solar energy, a clean source of energy.</p> <p>The Company aims to use the latest technology in solar panels and inverters. These drive continuous gains in efficiencies by improving productivity and reducing costs. Newer technologies also have higher energy densities which require less area for development. These also have longer projected lifespans and lower maintenance requirements, reducing waste from repairs and replacements.</p> <p><b>Goal 9: Industry, Innovation, and Infrastructure</b></p> <p>The Company builds its energy infrastructures that are modularly constructed and considered to be more resilient to typhoons which affect the country.</p> <p>By design, solar power plants have no single point of failure. Thus, repairs and maintenance may be done without shutting</p>	The Company's primary source for its power generation is renewable energy (RE) particularly Solar Energy. RE is poised to positively contribute, rather than negatively, to the attainment of the UN SDGs.	The Board of Directors and Management remains ever mindful of the Company's role in attaining the UN SDGs. As such business decisions are attuned to this consideration.

	the entire plant unlike conventional sources of energy.		
--	---	--	--

\* None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p><b>Goal 11: Sustainable Cities and Communities</b></p> <p>The Company's investment in solar power development contributes to the overall reduction in air pollution in cities and communities by promoting the use of RE.</p> <p>Compared to other energy sources, solar power technology produces little to no emission, noise pollution, and water waste.</p> <p>Given these factors, SPNEC believes that the use of solar power technology offers the least negative impact in the communities it operates in.</p> <p><b>Goal 13: Climate Action</b></p> <p>The Company is at the forefront of the adoption of renewable energy in the Philippines. SPNEC is set to develop 3,500 megawatts (MW) of solar panels and 4,000 MW of battery energy storage systems in Luzon</p>		