

COVER SHEET

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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

(Company's Full Name)

2 0 t h F l o o r , P h i l a m L i f e T o w e r ,
8 7 6 7 P a s e o d e R o x a s , M a k a t i
C i t y 1 2 2 6

(Business Address of the Company)

Jo Marianni P. Ocampo - Jalbuena

Contact Person

0 2 - 8 8 1 7 - 2 5 8 5

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

SEC Form 17-Q

Form Type

1st 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

Dept. Requiring this Doc.

Amended Articles Number/Section

Total amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = Pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended 30 June 2024
2. SEC Identification Number CS201627300 3. BIR Tax Identification No. 009-468-103
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. Industry Classification Code: (SEC Use Only)
7. 20th Floor PhilamLife Tower, 8767 Paseo de Roxas, Barangay Bel-Air, Makati City, Philippines 1226
Address of principal office Postal Code
8. (02) 8817-2585
Issuer's telephone number, including area code
9. N/A
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

Title of Each Class

Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding

Common

50,073,050,000

11. Are any or all of the securities listed on a Stock Exchange?

Yes ☒ No ☐

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange ("PSE"); common shares.

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 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 ☐



August 14, 2024

SECURITIES AND EXCHANGE COMMISSION

7907 Makati Ave., Salcedo Village, Barangay Bel-Air
Makati City 1209

Attention: **DIRECTOR VICENTE GRACIANO P. FELIZMENIO, JR.**
Director, Market and Securities Regulations Department

THE PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 5th Avenue corner 28th Street,
Bonifacio Global City, Taguig City

Attention: **ATTY. STEFANIE ANN B. GO**
Officer-in-Charge, Disclosure Department

RE: **SEC Form 17-Q (Quarterly Report)**


Gentlemen:

The undersigned is hereby filing on behalf of **SP NEW ENERGY CORPORATION** (the "Company"), the Company's SEC Form 17-Q (Quarterly Report) for the quarter ended 30 June 2024.

Thank you.

Very truly yours,

SP NEW ENERGY CORPORATION


JO MARIANNI P. OCAMPO – JALBUENA
Corporate Secretary

PART I - FINANCIAL INFORMATION

Item 1. Financial Statement

- Unaudited Interim Condensed Consolidated Statements of Financial Position as of June 30, 2024 with Comparative Audited Figures as at December 31, 2023
- Unaudited Interim Condensed Consolidated Statements of Income for the Six-Month Period Ended June 30, 2024 And 2023
- Unaudited Interim Condensed Consolidated Statements of Changes in Equity for the Six-Month Period Ended June 30, 2024 And 2023
- Unaudited Interim Condensed Consolidated Statements of Cash Flows For the Six-Month Period Ended June 30, 2024 And 2023
- Notes to Unaudited Interim Condensed Consolidated Financial Statements

[Please see attached]

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

- Material Changes to the Consolidated Statements of Financial Position as of June 30, 2024, compared to the Consolidated Statements of Financial Position as of December 31, 2023
- Material Changes to the Consolidated Statements of Comprehensive Income for the six (6)-months ended June 30, 2024, compared to the Consolidated Statements of Comprehensive Income for the Three (3) -months ended March 31, 2023.
- Key Performance Indicators

[Please see attached]

PART II – OTHER INFORMATION

Not Applicable

Signature

Pursuant to the requirements of the Securities Regulations Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SP NEW ENERGY CORPORATION

By:

A handwritten signature in black ink, appearing to be 'RD' or similar initials, written over the printed name.

ROCHEL DONATO R. GLORIA

Treasurer

Date: August 14, 2024

SP New Energy Corporation and Subsidiaries

Unaudited Interim Condensed Consolidated
Financial Statements
June 30, 2024
(With Comparative Audited Figures as of
December 31, 2023)
And For the Six-Month Periods Ended
June 30, 2024 and 2023

**SP NEW ENERGY CORPORATION
AND SUBSIDIARIES**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION**

As at June 30, 2024

(With Comparative Audited Figures as at December 31, 2023)

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 3 and 16)	₱8,024,362,869	₱10,040,424,627
Trade and other receivables (Notes 4, 12 and 16)	340,774,985	287,607,118
Inventories	24,720,513	24,800,913
Due from related parties (Notes 11 and 16)	127,083,078	126,920,310
Other current assets (Note 5)	663,491,438	744,366,136
Total Current Assets	9,180,432,883	11,224,119,104
Noncurrent Assets		
Property, plant and equipment (Note 6)		
At cost	10,146,332,430	10,136,123,220
At revalued amount	12,467,340,000	12,467,340,000
Deposits for land acquisition (Note 7)	4,468,225,092	3,396,776,396
Intangible assets	13,261,891,642	13,261,891,642
Goodwill	9,954,384	9,954,384
Deferred income tax assets - net	9,646,601	9,646,601
Other noncurrent assets (Notes 8 and 16)	1,680,429,291	676,962,959
Total Noncurrent Assets	42,043,819,440	39,958,695,202
TOTAL ASSETS	₱51,224,252,323	₱51,182,814,306
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 9 and 16)	₱563,359,071	₱482,626,040
Due to related parties (Notes 11 and 16)	476,721,112	608,442,826
Current portion of:		
Long-term debt (Notes 10 and 16)	359,073,136	366,847,748
Lease liabilities (Notes 15 and 16)	8,348,591	8,962,861
Total Current Liabilities	1,407,501,910	1,466,879,475
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debt (Notes 10, 16 and 19)	2,556,301,481	2,729,695,924
Lease liabilities (Notes 15, 16 and 19)	367,127,402	381,109,300
Deferred tax liabilities	4,086,521,200	4,086,521,200
Other noncurrent liabilities	97,181,636	98,633,404
Total Noncurrent Liabilities	7,107,131,719	7,295,959,828
TOTAL LIABILITIES	₱8,514,633,629	₱8,762,839,303

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Equity Attributable to Equity Holders of the Parent Company		
Common stock (Note 12)	₱5,007,305,000	₱3,437,305,000
Preferred stock (Note 12)	194,042,026	—
Additional paid-in capital (Note 12)	19,794,017,012	5,713,764,409
Deposit for future stock subscription (Note 12)	—	15,894,042,026
Equity reserve	525,755,142	525,755,142
Revaluation surplus	8,268,091,263	8,268,091,263
Retained earnings	5,667,192,155	5,546,151,067
	39,456,402,598	39,385,108,907
Non-controlling Interests	3,253,216,096	3,034,866,096
TOTAL EQUITY	42,709,618,694	42,419,975,003
TOTAL LIABILITIES AND EQUITY	₱51,224,252,323	₱51,182,814,306

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

**SP NEW ENERGY CORPORATION
AND SUBSIDIARIES**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME**

	Three-Month Periods Ended June 30		Six-Month Periods Ended June 30	
	2024	2023	2024	2023
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 18)	₱373,065,661	₱64,042,942	₱717,454,798	₱64,042,942
COSTS OF SALES AND SERVICES (Note 13)	(107,323,531)	(37,388,662)	(220,563,561)	(37,388,662)
GROSS PROFIT	265,742,130	26,654,280	496,891,237	26,654,280
GENERAL AND ADMINISTRATIVE EXPENSES (Note 14)	(91,547,044)	(25,612,755)	(194,697,735)	(49,083,602)
FINANCE COSTS (Notes 10 and 15)	(66,366,848)	(16,153,086)	(134,541,707)	(18,411,381)
INTEREST INCOME (Notes 3 and 5)	105,498,005	2,504,674	202,048,402	2,849,333
OTHER INCOME (LOSS) - net	(2,567,631)	2,819,303	(2,264,156)	3,236,635
INCOME (LOSS) BEFORE INCOME TAX	210,758,612	(9,787,584)	367,436,041	(34,754,735)
PROVISION FOR INCOME TAX	28,044,953	—	28,044,953	—
NET INCOME (LOSS)	₱182,713,659	(₱9,787,584)	₱339,391,088	(₱34,754,735)
Net income (loss) attributable to:				
Equity holders of the Parent Company	₱73,538,659	(₱32,287,584)	₱121,041,088	(₱57,254,735)
Non-controlling interest	109,175,000	22,500,000	218,350,000	22,500,000
	₱182,713,659	(₱9,787,584)	₱339,391,088	(₱34,754,735)
Basic/Diluted Income (Loss) Per Share (Note 17)	₱0.0015	(₱0.0018)	₱0.0024	(₱0.0041)

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

	Three-Month Periods Ended June 30		Six-Month Periods Ended June 30	
NET INCOME (LOSS)	₱182,713,659	(₱9,787,584)	₱339,391,088	(₱34,754,735)
OTHER COMPREHENSIVE INCOME				
<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 ₱514.1 million (Note 7)	–	1,542,255,053	–	1,542,255,053
TOTAL COMPREHENSIVE INCOME	₱182,713,659	₱1,532,467,469	₱339,391,088	₱1,507,500,318
Total comprehensive income (loss) attributable to:				
Equity holders of the Parent Company	₱73,538,659	₱1,509,967,469	₱121,041,088	₱1,485,000,318
Non-controlling interest	109,175,000	22,500,000	218,350,000	22,500,000
	₱182,713,659	₱1,532,467,469	₱339,391,088	₱1,507,500,318

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements

**SP NEW ENERGY CORPORATION
AND SUBSIDIARIES**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023**

	Equity Attributable to Equity Holders of the Parent Company										Non-controlling Interests	Total
	Common Stock (Note 12)	Preferred Stock (Note 12)	Additional Paid-in Capital (Note 12)	Deposit for Future Stock Subscription (Note 12)	Equity Reserve	Revaluation Surplus	Retained Earnings (Deficit)	Total				
Balances at January 1, 2024	P3,437,305,000	P–	P5,713,764,409	P15,894,042,026	P525,755,142	P8,268,091,263	P5,546,151,067	P39,385,108,907	P3,034,866,096	P42,419,975,003		
Issuance of shares (Note 12)	1,570,000,000	194,042,026	14,130,000,000	(15,894,042,026)	–	–	–	–	–	–		–
Stock issuance cost (Note 12)	–	–	(49,747,397)	–	–	–	–	(49,747,397)	–	(49,747,397)		–
	1,570,000,000	194,042,026	14,080,252,603	(15,894,042,026)	–	–	–	(49,747,397)	–	(49,747,397)		–
Total comprehensive income for the period	–	–	–	–	–	–	121,041,088	121,041,088	218,350,000	339,391,088		
Balances at June 30, 2024	P5,007,305,000	P194,042,026	P19,794,017,012	P–	P525,755,142	P8,268,091,263	P5,667,192,155	P39,456,402,598	P3,253,216,096	P42,709,618,694		
Balances at January 1, 2023	P1,000,000,000	P–	P4,938,722,430	P–	P–	P–	(P126,125,941)	P5,812,596,489	P–	P5,812,596,489		
Issuance of shares, net of stock issuance cost (Note 12)	2,437,305,000	–	–	–	–	–	(25,519,510)	2,411,785,490	–	2,411,785,490		
Equity infusion (Note 12)	–	–	776,917,729	–	–	–	–	776,917,729	–	776,917,729		
Effect of common control business combination	–	–	–	–	508,005,980	2,227,134,530	–	2,735,140,510	–	2,735,140,510		
Non-controlling interest arising from effect of business combination	–	–	–	–	–	–	–	–	3,400,016,097	3,400,016,097		
	2,437,305,000	–	776,917,729	–	508,005,980	2,227,134,530	(25,519,510)	5,923,843,729	3,400,016,097	9,323,859,826		
Net income (loss) for the period	–	–	–	–	–	–	(57,254,735)	(57,254,735)	22,500,000	(34,754,735)		
Other comprehensive income	–	–	–	–	–	1,542,255,053	–	1,542,255,053	–	1,542,255,053		
Total comprehensive income (loss) for the period	–	–	–	–	–	1,542,255,053	(57,254,735)	1,485,000,318	22,500,000	1,507,500,318		
Balances at June 30, 2023	P3,437,305,000	P–	P5,715,640,159	P–	P508,005,980	P3,769,389,583	(P208,900,186)	P13,221,440,536	P3,422,516,097	P16,643,956,633		

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

**SP NEW ENERGY CORPORATION
AND SUBSIDIARIES**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
CASH FLOWS**

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	₱367,436,041	(₱34,754,735)
Adjustments for:		
Interest income (Notes 3 and 5)	(202,048,402)	(2,849,333)
Depreciation and amortization (Notes 6, 13 and 14)	161,869,652	25,256,491
Finance costs (Notes 10 and 15)	134,541,707	19,339,809
Reversal of impairment	(3,000,529)	—
Unrealized foreign exchange loss	—	320,967
Operating income before working capital changes	458,798,469	7,313,199
Decrease (increase) in:		
Trade receivables (Note 4)	(50,167,338)	(5,312,238)
Inventories	80,400	(6,037,273)
Other current assets (Note 5)	51,977,640	(34,240,599)
Increase (decrease) in:		
Trade and other payables (Note 9)	55,004,628	(122,419,143)
Contract liabilities	—	40,300,593
Dividends payable	—	(33,550,000)
Net cash flows from (used in) operations	515,693,799	(153,945,461)
Interest received	202,048,402	824,958
Income tax paid	(3,209,917)	—
Net cash flows from (used in) operating activities	714,532,284	(153,120,503)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Deposits for land acquisition (Note 7)	(1,071,448,695)	(652,847,690)
Property, plant and equipment (Note 6)	(167,061,750)	(298,842,211)
Decrease (increase) in:		
Due from related parties (Note 11)	(162,768)	218,887,724
Other noncurrent assets (Note 8)	(1,003,466,332)	(140,773,758)
Acquisition of Solar Philippines Assets, net of cash acquired	—	(2,715,890,476)
Decrease in other noncurrent liabilities	—	(5,202,003)
Cash flows used in investing activities	(2,242,139,545)	(3,594,668,414)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Long-term debts (Note 10)	(184,850,000)	(179,479,119)
Interest	(125,956,049)	—
Lease liabilities (Note 15)	(26,834,544)	(16,627,280)
Increase (decrease) in:		
Due to related parties (Note 11)	(131,721,714)	315,949,464
Other noncurrent liabilities	(1,451,768)	—
Stock issuance cost (Note 12)	(17,640,422)	2,411,785,490
Equity infusion (Note 12)	—	776,917,729
Collection of subscription receivable (Note 12)	—	649,796,605
Net cash flows from (used in) financing activities	(488,454,497)	3,958,342,889

	2024	2023
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	P–	(P320,967)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,016,061,758)	210,233,005
CASH AND CASH EQUIVALENTS AT JANUARY 1	10,040,424,627	210,829,234
CASH AND CASH EQUIVALENTS AT JUNE 30 (Notes 3 and 16)	P8,024,362,869	P421,062,239

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

SP NEW ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONDENSED 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 SPNEC are listed on the Philippine Stock Exchange (“PSE”) beginning December 17, 2021 and traded under the ticker, “SPNEC”.

The Parent Company and its subsidiaries are hereby collectively referred to as the “Group”. All subsidiaries are incorporated in the Philippines (see Note 2). As of August 12, 2024, the Parent Company has subsidiaries that are in commercial operations (see Note 2).

On November 30, 2023, MGen Renewable Energy, Inc. (“MGreen”) and SPNEC entered into a Subscription Agreement, whereby MGreen subscribed (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 (see Note 15). 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.

As of August 12, 2024, MGreen is considered as the controlling shareholder of SPNEC with a total voting interest of 53.66%.

(b) Principal Office Address

On April 12, 2024, the Board of Directors (“BOD”) approved the amendment of the Parent Company’s Articles of Incorporation to change the principal office from 112 Legaspi Street, Legaspi Village, Brgy. San Lorenzo, Makati City 1229, Philippines to Rockwell Business Center, Ortigas Avenue, Brgy. Ugong, Pasig City 1604, Philippines. This was subsequently approved by the Parent Company’s stockholders on May 10, 2024.

(c) Authorization for the Issuance of the Condensed Consolidated Financial Statements

The unaudited interim condensed consolidated financial statements of the Group as of June 30, 2024 and December 31, 2023 and for the six-month period ended June 30, 2024 and 2023 were authorized for issue by the BOD on August 12, 2024.

2. Basis of Preparation, and Material Accounting Policy Information

Basis of Preparation

The unaudited interim consolidated financial statements of the Group as of June 30, 2024 and for the six-month periods ended June 30, 2024 and 2023 have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. The unaudited interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements as at December 31, 2023.

The unaudited interim condensed consolidated financial statements of the Group 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.

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 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of these new standards did not have an impact on the unaudited interim condensed consolidated financial statements.

- Amendments to 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.

- 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.

3. Cash and Cash Equivalents

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash on hand and in banks	P8,024,362,869	P9,934,772,578
Short-term deposits	–	105,652,049
	P8,024,362,869	P10,040,424,627

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.

4. Trade and Other Receivables

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade receivables		
Third parties	P393,674,583	P351,397,454
Related party	4,189,066	4,189,066
Non-trade receivables		
Subscription receivable	1,319,056	1,319,056
Others	7,890,209	–
	407,072,914	356,905,576
Less allowance for doubtful accounts	(66,297,929)	(69,298,458)
	P340,774,985	P287,607,118

Movement in allowance for doubtful accounts are as follows:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period	P69,298,458	P–
Effect of business combination under common control	–	69,645,553
Provision for impairment loss	–	75,280
Reversal	(3,000,529)	(422,375)
Balance at end of period	P66,297,929	P69,298,458

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.

5. Other Current Assets

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Short-term investments	P531,765,687	P575,810,259
Input VAT	51,927,893	41,086,277
Bonds	35,267,363	35,267,363
Creditable withholding taxes	13,395,030	6,748,265
Advances to suppliers	—	15,330,330
Deferred transaction costs	—	32,106,975
Others	34,873,988	43,626,491
	667,229,961	749,975,960
Less allowance for impairment	(3,738,523)	(5,609,824)
	P663,491,438	P744,366,136

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

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period	P5,609,824	P—
Effect of business combination under common control	—	5,133,866
Provision for impairment loss	—	680,892
Reversal	(1,871,301)	(204,934)
Balance at end of period	P3,738,523	P5,609,824

Short-term investments pertain to the 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.

Others include other prepayments and advances to employees of SP Project Holdings that are subject to liquidation within 30 days.

6. Property, Plant and Equipment

At cost

June 30, 2024 (Unaudited)

	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 period	P8,540,278,396	P2,367,763	P701,082	P4,045,867	P385,031	P534,653,539	P1,543,512	P2,652,776,840	P11,736,752,030
Additions	–	–	6,688,839	4,092,532	206,364	–	–	164,649,550	175,637,285
Reclassifications	78,229,382	(2,367,763)	–	1,426,114	–	–	–	(78,229,382)	(941,649)
Balances at end of period	8,618,507,778	–	7,389,921	9,564,513	591,395	534,653,539	1,543,512	2,739,197,008	11,911,447,666
Accumulated depreciation, amortization, and impairment losses									
Balances at beginning of period	1,502,652,704	777,099	420,938	1,353,425	364,427	80,483,090	20,580	14,556,547	1,600,628,810
Depreciation and amortization (Notes 13 and 14)	153,295,948	–	356,542	454,683	20,604	7,711,005	30,870	–	161,869,652
Amortization capitalized to CIP	–	(777,099)	–	557,695	–	2,836,178	–	–	2,616,774
Balances at end of period	1,655,948,652	–	777,480	2,365,803	385,031	91,030,273	51,450	14,556,547	1,765,115,236
Net book value	P6,962,559,126	–	P6,612,441	P7,198,710	P206,364	P443,623,266	P1,492,062	P2,724,640,461	P10,146,332,430

December 31, 2023 (Audited)

	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 period	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	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 period	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 period	–	–	13,840	–	–	20,347,680	–	–	20,361,520
Effect of business combination under common control	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	205,857,760	54,851	88,480	183,597	44,753	9,982,700	20,580	–	216,232,721
Amortization capitalized to CIP	–	–	–	–	–	7,239,385	–	–	7,239,385
Disposal	(2,597,756)	–	–	–	–	–	–	–	(2,597,756)
Balances at end of period	1,502,652,704	777,099	420,938	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	P280,144	P2,692,442	P20,604	P454,170,449	P1,522,932	P2,638,220,292	P10,136,123,220

Solar Power Plants

As of June 30, 2024, solar power plants of SP Calatagan and SP Tarlac (“Solar Power Plants”) are pledged as collateral for their respective long-term debt contracted separately for the respective projects (see Note 10).

At revalued amount

Land

Entity	Land Area (in hectares)	Acquisition cost	Appraised value as of June 30, 2024 (Unaudited)
Terra Nueva	534.76	₱636.2	₱8,556.1
SP Calatagan	105.26	2,390.7	2,421.1
SP Tarlac	30.41	1,384.8	1,490.1
	670.43	₱4,411.7	₱12,467.3

The foregoing properties of SP Calatagan and SP Tarlac were used as collateral to secure their respective long-term debts (see Note 10).

The total value of the land - at cost, is ₱4,411.7 million as of June 30, 2024 and December 31, 2023.

7. Deposits for Land Acquisition

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

Entity	June 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
	Land Area (in hectares)	Deposit Paid	Land Area (in hectares)	Deposit Paid
Provincia Investments Corporation (“PIC”)	68.62	₱267,000,000	68.62	₱267,000,000
Lupang Hinirang Holdings Corporation “LHHC”)	56.81	270,000,000	56.81	270,000,000
Leandro L. Leviste	87.50	421,718,085	87.50	421,618,085
Various landowners	3,148.55	3,509,507,007	2,092.72	2,438,158,311
	3,361.48	₱4,468,225,092	2,305.65	₱3,396,776,396

The 87.50-hectares property with deposit for land acquisition to Leandro L. Leviste was pledged as collateral to the loan obtained by SP Tarlac from a local bank.

Following is the movement in the Group's deposits for land acquisition with various landowners:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at beginning of period	₱2,438,158,311	₱1,489,892,396
Additions	1,071,448,695	723,096,532
Reclassifications from (to):		
Deposit (Note 8)	—	500,000,000
Land (Note 6)	—	(287,506,687)
Effect of business combination under common control	—	12,676,070
Balances at end of period	₱3,509,607,006	₱2,438,158,311

As of June 30, 2024 and December 31, 2023, the remaining balance amounting to ₱1,247.4 million and ₱1,111.8 million, respectively, will be payable when the conditions under the contracts to sell are satisfied.

8. Other Noncurrent Assets

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Advances to suppliers	₱745,665,249	₱—
Long-term receivables	370,481,709	318,977,637
Project development costs	270,327,792	75,062,130
Input VAT	140,576,811	138,451,932
Deferred input VAT	86,638,323	78,188,325
Plant construction materials	50,631,692	50,624,254
Others (Note 18)	16,235,883	15,786,849
	1,680,557,459	677,091,127
Less allowance for impairment of input VAT	(128,168)	(128,168)
	₱1,680,429,291	₱676,962,959

Project development costs pertain to costs incurred by Terra Solar in relation to the development of its solar power project.

9. Trade and Other Payables

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Accounts payable		
Related parties (Note 11)	₱212,701,142	₱185,013,429
Third parties	98,904,593	49,127,667
Interest payable	95,654,710	99,315,778
Accrued expenses	93,260,163	89,591,394
Accrued purchases	14,839,235	10,743,183
Withholding tax payable	13,955,621	13,793,524
Income tax payable	13,288,658	21,707,307
Retention payable	7,194,639	—
Other payables	13,560,310	13,333,758
	₱563,359,071	₱482,626,040

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

Accrued liabilities pertain to unbilled liabilities for costs of benefits to host communities provided under Department of Energy (“DOE”) Energy Regulations No. 1-94, professional fees, differential cost of replacement energy charged by Meralco consistent with the provisions of the Power Supply Agreement of SP Tarlac.

As agreed between Meralco and SP Tarlac, the latter may offset the payment for such replacement energy against the billings for energy sold every month. As of June 30, 2024 and December 31, 2023, the total cost of replacement energy to be offset against SP Tarlac’s future billings to Meralco amounted to ₱92.3 million and ₱107.5 million, respectively.

Other payables pertain to statutory liabilities that are to be remitted to the appropriate government agency.

10. Long-term Debt

Following are the details of the long-term debt:

Entity	Original Loan Amount	Interest rate	Repayment schedule	Outstanding balance	Interest Expense
<i>(In Millions)</i>					
SP Tarlac	₱2,225.0	7.83%, subject to repricing in July 2024 and second repricing in July 2029	20 semi-annual installments starting January 3, 2021 until July 3, 2031	₱1,860.1	₱79.8
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	1,089.6	46.2
Total				2,949.7	126.0
Less unamortized debt transaction cost				(34.3)	
				2,915.4	
Current portion				(359.1)	
Long-term debt, net of current portion				₱2,556.3	

Movements in the debt transaction costs are as follows:

	SP Tarlac	SP Calatagan	Total
Balance at beginning of period	₱31,801,375	₱6,204,953	₱38,006,328
Amortization during the period	(2,672,681)	(1,008,263)	(3,680,944)
Balance at end of period	₱29,128,694	₱5,196,690	₱34,325,384

11. Related Party Transactions

Following are the Group's related party transactions for the six-month periods ended June 30, 2024 and 2023, and the related outstanding balances as of June 30, 2024 and December 31, 2023:

Transactions during the six-month periods ended June 30 (Unaudited)			Outstanding balance as of			
	2024	2023	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)	Terms	Conditions
Deposits for land acquisition (Note 7)						
Individual					Deposits; non-interest	Unsecured;
Stockholder	P–	P–	P421,718,085	P421,618,085	bearing	Not impaired
LHHC	–	–	270,000,000	270,000,000	-do-	-do-
PIC	–	–	267,000,000	267,000,000	-do-	-do-
			P958,718,085	P958,618,085		
Due from related parties						
					Due and demandable; non-interest	Unsecured;
SP Project Holdings	P43,370	P–	P88,011,300	P87,967,930	bearing	Not impaired
SPCRPI	–	80,500,000	31,654,070	31,654,070	-do-	-do-
Individual						
Stockholder	–	–	7,293,310	7,293,310	-do-	-do-
SPSMC	51,744	–	51,744	–	-do-	-do-
SPSTC	51,744	–	51,744	–	-do-	-do-
SPCLC	15,000	–	20,000	5,000	-do-	-do-
SP Tagoloan	910	–	910	–	-do-	-do-
			P127,083,078	P126,920,310		
Due to related parties						
					Due and demandable; non-interest	
SP Project Holdings	P–	P300,000,000	P431,895,738	P536,656,775	bearing	Unsecured
Countryside	–	–	37,552,682	37,552,682	-do-	-do-
TRHI	–	–	6,919,858	33,988,926	-do-	-do-
DGA	–	–	244,443	244,443	-do-	-do-
PIC	90,914	–	90,914	–	-do-	-do-
SPSMC	17,268	–	17,268	–	-do-	-do-
SPCRPI	209	–	209	–	-do-	-do-
			P476,721,112	P608,442,826		
Accounts payable (Note 9)						
					Due and demandable; non-interest	
SPCRPI	P–	P–	P85,714,453	P85,714,453	bearing	Unsecured
SP Project Holdings	11,025,000	30,810,000	76,069,016	65,881,659	-do-	-do-
SMSC	12,191,155	14,554,574	50,369,717	32,869,361	-do-	-do-
SPMMC	–	–	547,956	547,956	-do-	-do-
			P212,701,142	P185,013,429		

12. Equity

Capital Stock and Additional Paid-in Capital

The details of the Parent Company's capital stock as of June 30, 2024 and December 31, 2023 are as follows:

	June 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
	Shares	Amount	Shares	Amount
Common shares - ₱0.1 par value per share				
Balances at beginning of period	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	40,000,000,000	4,000,000,000
Balances at end of period	75,000,000,000	₱7,500,000,000	50,000,000,000	₱5,000,000,000
Issued and outstanding:				
Balances at beginning of period	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	24,373,050,000	2,437,305,000
Balances at end of period	50,073,050,000	₱5,007,305,000	34,373,050,000	₱3,437,305,000
Preferred shares - ₱0.01 par value per share				
Balances at beginning of period	—	₱—	—	₱—
Increase in authorized capital stock	25,000,000,000	250,000,000	—	—
Balances at end of period	25,000,000,000	₱250,000,000	—	₱—
Issued and outstanding:				
Balances at beginning of period	—	₱—	—	₱—
Issuances of shares	19,404,202,552	194,042,026	—	—
Balances at end of period	19,404,202,552	₱194,042,026	—	₱—

In 2024, 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.

On January 26, 2024, MGreen has acquired an additional 2.2 billion shares or equivalent to ₱2.5 billion from SP Project Holdings, which increased MGreen's voting equity interest in SPNEC 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.

13. Cost of Sales and Services

	For the Six-Month Periods Ended June 30 (Unaudited)	
	2024	2023
Depreciation and amortization (Note 6)	P153,295,948	P22,624,429
Consumables, parts and repairs	23,262,923	445,366
Insurance	20,423,795	3,678,800
Contracted services	12,845,091	5,722,270
Rent	660,350	1,775,814
Other operations and maintenance expenses	10,075,454	3,141,983
	P220,563,561	P37,388,662

Other operations and maintenance expenses include Independent Electricity Market Operator of the Philippines (“IEMOP”) market fees, transmission and ancillary charges, purchased power for household/plant operation, operations and maintenance related courier services, and other outside services.

14. General and Administrative Expenses

	For the Six-Month Period Ended June 30 (Unaudited)	
	2024	2023
Contracted services	P50,987,709	P12,810,000
Miscellaneous expenses	49,035,808	—
Taxes, licenses and fees	48,643,084	13,631,552
Professional services	10,442,235	9,353,162
Salaries and wages	10,269,950	—
Depreciation and amortization (Note 8)	8,573,704	2,632,062
Transportation and travel	5,817,527	—
Insurance	4,570,973	2,545,580
Utilities	2,809,959	—
Materials	1,190,268	—
Others	2,356,518	8,111,246
	P194,697,735	P49,083,602

Others include employee benefits and allowances, staff accommodation costs, employee related activity expenses, representation, rent, repair and maintenance, donations, advertising, subscriptions and membership fees, and other training cost.

15. Leases

Lease liabilities as of June 30, 2024 and December 31, 2023 are as follows:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at beginning of period	₱390,072,161	₱303,138,420
Interest expense capitalized to CIP*	5,017,113	13,213,102
Interest expense	7,221,263	10,743,700
Payments	(26,834,544)	(18,526,228)
Additions through business combination under common control	—	98,120,014
Adjustments	—	(16,616,847)
Total lease liabilities	375,475,993	390,072,161
Current portion of lease liabilities	8,348,591	8,962,861
Noncurrent portion of lease liabilities	₱367,127,402	₱381,109,300

*Incurred during the construction period

Set out below are the amounts recognized in the unaudited interim condensed of comprehensive income:

	For the Six-Month Period Ended June 30 (Unaudited)	
	2024	2023
Interest accretion of lease liabilities	₱7,221,263	₱6,141,889
Amortization of ROU assets	7,711,005	3,865,896
Expenses relating to leases of low-value assets in:		
Costs of sales and services (Note 13)	660,350	1,775,814
General and administrative expenses (Note 14)	234,036	—
Total amounts recognized in the unaudited interim condensed consolidated statement of comprehensive income	₱15,826,654	₱11,783,599

16. 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 22% 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 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 ₱9,421.6 million and ₱11,385.5 million as of June 30, 2024 and December 31, 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 June 30, 2024 and December 31, 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 receivables, subscriptions receivable, short-term investments and bonds (under other current assets), long-term receivables (under other noncurrent assets) and due from related parties, 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 June 30, 2024 and December 31, 2023, the aging analysis per class of financial assets that were past due is as follows:

June 30, 2024 (Unaudited)

	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*	P8,023,769	P–	P–	P–	P–	P8,023,769
Trade receivables	331,566	–	–	–	69,298	400,864
Subscriptions receivable	1,319	–	–	–	–	1,319
Short term investments	531,766	–	–	–	–	531,766
Bonds	35,647	–	–	–	–	35,647
Due from related parties	127,083	–	–	–	–	127,083
Long-term receivables	370,482	–	–	–	–	370,482
	P9,421,632	P–	P–	P–	P69,298	P9,490,930

*Excludes cash on hand

December 31, 2023 (Audited)

		Past due but not impaired				
	Neither past due nor impaired	Less than 30 days	30 to 60 days	More than 60 days	Impaired	Total
		<i>(In Thousand Pesos)</i>				
Cash and cash equivalents*	₱10,040,120	₱–	₱–	₱–	₱–	₱10,040,120
Trade receivables	286,288	–	–	–	69,596	355,884
Subscriptions receivable	1,319	–	–	–	–	1,319
Short term investments	575,810	–	–	–	–	575,810
Bonds	36,037	–	–	–	–	36,037
Due from related parties	126,920	–	–	–	–	126,920
Long-term receivables	318,978	–	–	–	–	318,978
	₱11,385,472	₱	₱–	₱–	₱69,596	₱11,455,068

*Excludes cash on hand

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 summarizes the maturity profile as of June 30, 2024 and December 31, 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:

	June 30, 2024 (Unaudited)				
	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*	P8,023,769	P–	P–	P–	P8,023,769
Trade receivables	–	331,566	–	–	331,566
Subscriptions receivable	1,319	–	–	–	1,319
Short-term investments	531,766	–	–	–	531,766
Due from related parties	127,083	–	–	–	127,083
Bonds	35,647	–	–	–	35,647
Long-term receivables	–	–	370,482	–	370,482
	P8,719,584	P331,566	P370,482	P–	P9,421,632
Financial liabilities at amortized cost:					
Trade and other payables**	P–	P404,866	P–	P–	P404,866
Due to related parties	476,721	–	–	–	476,721
Lease liabilities***	–	25,050	104,796	582,936	712,782
Long-term debt***	–	593,901	2,201,340	1,152,451	3,947,692
	P476,721	P1,023,817	P2,306,136	P1,735,387	P5,542,061

*Excludes cash on hand

**Excludes statutory liabilities

***Includes future interest payments

	December 31, 2023 (Audited)				
	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*	P10,040,120	P–	P–	P–	P10,040,120
Trade receivables	191,893	94,395	–	–	286,288
Subscriptions receivable	1,319	–	–	–	1,319
Short-term investments	575,810	–	–	–	575,810
Due from related parties	126,920	–	–	–	126,920
Bonds	36,037	–	–	–	36,037
Long-term receivables	–	–	318,978	–	318,978
	P10,972,099	P94,395	P318,978	P–	P11,385,472
Financial liabilities at amortized cost:					
Trade and other payables**	P–	P323,732	P–	P–	P323,732
Due to related parties	608,443	–	–	–	608,443
Lease liabilities***	–	23,527	128,834	677,113	829,474
Long-term debt***	–	374,150	1,554,450	1,205,950	3,134,550
	P608,443	P721,409	P1,683,284	P1,883,063	P4,896,199

*Excludes cash on hand

**Excludes statutory liabilities

***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, Bonds and short-term investments (under other current assets), Long-term receivables (under other noncurrent assets), Trade and other payables (excluding statutory liabilities) 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 six-month periods ended June 30, 2024 and 2023.

The Group considers the following as its core capital:

	June 30, 2024 (Unaudited)	December 31,2023 (Audited)
Capital stock	₱5,201,347,026	₱3,437,305,000
Additional paid-in capital	19,794,017,012	5,713,764,409
Equity reserve	525,755,142	525,755,142
Revaluation surplus	8,268,091,263	8,268,091,263
Retained earnings	5,667,192,155	5,546,151,067
Deposit for future stock subscription	–	15,894,042,026
	₱39,456,402,598	₱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 June 30, 2024.

17. Basic/Diluted Earnings (Loss) Per Share

The basic/diluted earnings (loss) per share amounts were computed as follows:

	For the Six-Month Period Ended June 30 (Unaudited)	
	2024	2023
(a) Net income (loss) attributable to equity holders of the Parent Company	₱121,041,088	(₱57,254,735)
(b) Weighted average number of common shares outstanding	50,073,050,000	14,062,175,000
Basic/diluted earnings (loss) per share (a/b)	₱0.0024	(₱0.0041)

The Group does not have any dilutive potential common shares as at June 30, 2024 and December 31, 2023.

18. 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 PFRSs. 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.

SPNEC has only one geographical segment as all of its operating assets are currently located in the Philippines. SPNEC 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:

June 30, 2024 (Six Months) (Unaudited)							
	SPNEC	SP Calatagan	SP Rooftop	SP Tarlac	Others	Eliminating entries*	Total
Segment revenue	P–	P454,918,009	P996,765	P256,154,878	P5,464,338	(P79,192)	P717,454,798
Segment expenses	(53,865,221)	(78,215,786)	(7,421,594)	(52,641,855)	(68,179,909)	6,932,721	(253,391,644)
Segment results	(53,865,221)	376,702,223	(6,424,829)	203,513,023	(62,715,571)	6,853,529	464,063,154
Interest income	185,267,510	11,986,657	234,279	3,943,530	616,426	–	202,048,402
Interest expense	(4,700,437)	(46,161,991)	–	(83,679,279)	–	–	(134,541,707)
Depreciation and amortization	(2,604,953)	(66,975,136)	(499,319)	(89782,591)	(2,007,653)	–	(161,869,652)
Other income (expense)	(1,754,726)	–	–	1,150	(510,580)	–	(2,264,156)
Net income (loss) before tax	122,342,173	275,551,753	(6,689,869)	33,995,833	(64,617,378)	6,853,529	367,436,041
Provision for income tax	–	(28,044,953)	–	–	–	–	(28,044,953)
Net income (loss)	122,342,173	247,506,800	(6,689,869)	33,995,833	(64,617,378)	6,853,529	339,391,088

*Pertains to intercompany transactions that were eliminated upon consolidation and other consolidation adjustments.

June 30, 2023 (Six Months) (Unaudited)						
	SPNEC	SP Tarlac	SPRC	Others	Eliminating entries*	Total
Segment revenue	P–	P63,321,760	P1,649,343	P–	(P928,161)	P64,042,942
Segment expenses	(34,686,017)	(15,393,973)	(5,700,580)	(5,455,965)	–	(61,236,535)
Segment results	(34,686,017)	47,927,787	(4,051,237)	(5,455,965)	(928,161)	2,806,407
Interest income	676,863	2,071,214	92,479	8,777	–	2,849,333
Interest expense	(5,320,899)	(12,395,140)	–	(695,342)	–	(18,411,381)
Depreciation and amortization	(2,584,193)	(22,409,885)	(241,653)	–	–	(25,235,731)
Other income (expense)	(37,053)	3,311,979	(36,852)	(1,438)	(49,999)	3,186,637
Income (loss) after income tax	(P41,951,299)	P18,505,955	(P4,237,263)	(P6,143,968)	(P978,160)	(P34,804,735)

*Pertains to intercompany transactions that were eliminated upon consolidation and other consolidation adjustments.

June 30, 2024 (Unaudited)

	SPNEC	SP Calatagan	SP Tarlac	SP Rooftop	Others	Eliminating entries*	Total
Current assets	P12,029,303,552	P870,489,913	P585,664,395	P249,785,887	P382,347,388	(P4,937,158,252)	P9,180,432,883
Noncurrent assets	13,223,962,258	5,670,785,503	6,683,282,486	104,619,805	4,376,166,200	11,985,003,188	42,043,819,440
Total	P25,253,265,810	P6,541,275,416	P7,268,946,881	P354,405,692	P4,758,513,588	P7,047,844,936	P51,224,252,323
Current liabilities	P122,513,061	P318,445,047	P646,139,008	P248,070,052	P4,898,942,111	(P4,826,607,369)	P1,407,501,910
Noncurrent liabilities	274,650,094	1,295,011,318	2,230,594,033	111,389,515	–	3,195,486,759	7,107,131,719
Total	P397,163,155	P1,613,456,365	P2,876,733,041	P359,459,567	P4,898,942,111	(P1,631,120,610)	P8,514,633,629

**Pertains to intercompany transactions that were eliminated upon consolidation and other consolidation adjustments.*

December 31, 2023 (Audited)

	SPNEC	SP Calatagan	SP Tarlac	SP Rooftop	Others	Eliminating entries*	Total
Current assets	P12,224,875,406	P696,287,698	P487,397,004	P258,298,000	P191,704,735	(P2,634,443,739)	P11,224,119,104
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
Total	P25,254,749,590	P6,372,212,674	P7,249,370,463	P350,601,787	P10,525,155,067	P1,430,724,725	P51,182,814,306
Current liabilities	P184,722,370	P288,533,947	P591,246,084	P348,965,791	P2,687,855,022	(P2,634,443,739)	P1,466,879,475
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
Total	P471,241,708	P1,691,900,421	P2,891,152,457	P348,965,791	P4,667,833,501	(P1,308,254,575)	P8,762,839,303

**Pertains to intercompany transactions that were eliminated upon consolidation and other consolidation adjustments.*

19. Other Matters

Seasonality of Operations

Operations of solar power plants are generally affected by seasonality. Solar power plants are expected to generate their highest output during summer months.

Repurchases, and Repayments of Debt and Equity Securities

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

Changes in Estimates and Amounts Reported in Prior Financial Years

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

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

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

Changes in the Composition of the Group During the Interim Period

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

20. Events After the Financial Reporting Date

On July 11, 2024, the BoD of the Parent Company approved the following, among others:

- Assignment of rights, title and interest in the Terra Solar project of SPNEC to Terra Solar
- Subscription to Terra Solar's shares to support Terra Solar's application for increase in authorized capital stock.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The summary of financial information is based on the Unaudited Interim Condensed Consolidated Financial Statement as of 31 June 2024 (with Comparative Audited Figures as of 31 December 2023) and for the Six-Month Periods Ended 30 June 2024 and 2023, 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.

Material Changes to the Consolidated Statements of Financial Position as of June 30, 2024, compared to the Consolidated Statements of Financial Position as of December 31, 2023

Horizontal and Vertical Analysis of Financial Position June 30, 2024 vs December 31, 2023						
Amounts in ₱0.00	June 30, 2024	December 31, 2023	Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
			Amount	Percentage	June 2024	December 2023
Assets						
Cash and cash equivalents	8,024,362,869	10,040,424,627	(2,016,061,758)	-20.08%	15.67%	19.62%
Trade receivables	339,455,929	286,288,062	53,167,867	18.57%	0.66%	0.56%
Subscription receivable	1,319,056	1,319,056	-	0.00%	0.00%	0.00%
Inventories	24,720,513	24,800,913	(80,400)	-0.32%	0.05%	0.05%
Due from related parties	127,083,078	126,920,310	162,768	0.13%	0.25%	0.25%
Other current assets	663,491,438	744,366,136	(80,874,698)	-10.86%	1.30%	1.45%
TOTAL CURRENT ASSETS	9,180,432,883	11,224,119,104	(2,043,686,221)	-18.21%	17.92%	21.93%
Property, plant and equipment						
At cost	10,146,332,430	10,136,123,220	10,209,210	0.10%	19.81%	19.80%
At Revalued Amount	12,467,340,000	12,467,340,000	-	0.00%	24.34%	24.36%
Deposits for land acquisition	4,468,225,092	3,396,776,396	1,071,448,696	31.54%	8.72%	6.64%
Intangible assets	13,261,891,642	13,261,891,642	-	0.00%	25.89%	25.91%
Goodwill	9,954,384	9,954,384	-	0.00%	0.02%	0.02%
Deferred Tax Asset	9,646,601	9,646,601	-	0.00%	0.02%	0.02%
Other noncurrent assets	1,680,429,291	676,962,959	1,003,466,332	148.23%	3.28%	1.32%
TOTAL NONCURRENT ASSETS	42,043,819,440	39,958,695,202	2,085,124,238	5.22%	82.08%	78.07%
TOTAL ASSETS	51,224,252,323	51,182,814,306	41,438,017	0.08%	100.00%	100.00%
Liabilities and Equity						
Trade and other payables	563,359,071	482,626,040	80,733,031	16.73%	1.10%	0.94%
Due to related parties	476,721,112	608,442,826	(131,721,714)	-21.65%	0.93%	1.19%
Current portion of lease liabilities	8,348,591	8,962,861	(614,270)	-6.85%	0.02%	0.02%
Current portion of notes payable	359,073,136	366,847,748	(7,774,612)	-2.12%	0.70%	0.72%
TOTAL CURRENT LIABILITIES	1,407,501,910	1,466,879,475	(59,377,565)	-4.05%	2.75%	2.87%
Lease liabilities - net of current portion	367,127,402	381,109,300	(13,981,898)	-3.67%	0.72%	0.74%
Notes payable - net of current portion	2,556,301,481	2,729,695,924	(173,394,443)	-6.35%	4.99%	5.33%
Deferred Tax Liabilities	4,086,521,200	4,086,521,200	-	0.00%	7.98%	7.98%
Other noncurrent liabilities	97,181,636	98,633,404	(1,451,768)	-1.47%	0.19%	0.19%
TOTAL NONCURRENT LIABILITIES	7,107,131,719	7,295,959,828	(188,828,109)	-2.59%	13.87%	14.25%
TOTAL LIABILITIES	8,514,633,629	8,762,839,303	(248,205,674)	-2.83%	16.62%	17.12%
Common stock	5,007,305,000	3,437,305,000	1,570,000,000	45.68%	9.78%	6.72%
Preferred stock	194,042,026	-	194,042,026	100.00%	0.38%	0.00%
Additional Paid-in Capital	19,794,017,012	5,713,764,409	14,080,252,603	246.43%	38.64%	11.16%
Deposit for future stock subscription	-	15,894,042,026	(15,894,042,026)	-100.00%		31.05%
Equity reserve	525,755,142	525,755,142	-	0.00%	1.03%	1.03%
Revaluation Surplus	8,268,091,263	8,268,091,263	-	0.00%	16.14%	16.15%
Retained Earnings	5,667,192,155	5,546,151,067	121,041,088	2.18%	11.06%	10.84%
TOTAL EQUITY	39,456,402,598	39,385,108,907	71,293,691	0.18%	77.03%	76.95%
Non-controlling interest	3,253,216,096	3,034,866,096	218,350,000	7.19%	6.35%	5.93%
TOTAL LIABILITIES AND EQUITY	51,224,252,323	51,182,814,306	41,438,017	0.08%	100.00%	100.00%

Cash

For the six-month period ended June 30, 2024, SP New Energy Corporation (“SPNEC or Parent Company”) and its subsidiaries (“the Group”) have made collections from its customers amounting to ₱675.2 million and earned interest from its various bank accounts and time deposits totaling ₱202.0 million. During the same period, the Group made loan and interest payments for ₱310.8 million, lease payments for ₱26.8 million, paid for additional deposits for land acquisition amounting to ₱1,071.4 million, incurred project development and construction costs for ₱1,160.5 million, settled the portion of intercompany accounts amounting to ₱131.9 million, paid stock issuance cost amounting to ₱17.6 million, paid income tax of ₱3.21 million and operating expenses for ₱160.9 million. Further, Solar Philippines Calatagan Corporation (“SPCC”) purchased an additional 50 units of inverters amounting to ₱10.0 million to increase the generation of the plant.

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 June 30, 2024, mainly pertains to receivable by SPCC from National Transmission Corporation (“Transco”) amounting to ₱200.5 million, receivable by Solar Philippines Tarlac Corporation (“SPTC”) from Meralco amounting to ₱101.3 million and receivable of Solar Philippines Rooftop Corporation’s (“SPRC”) transactions from its Power Purchase Agreement (PPA) and Engineering, Procurement, Construction (EPC) services amounting to ₱28.1 million (net of allowance for doubtful accounts of ₱59.9 million) and Laguna Rooftop Solar Corporation’s (“LRSC”) from the sale of electricity amounting to ₱1.8 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.

Inventories

This account pertains to the inventory on hand of SPRC which are intended to be used for the construction of its contracted Projects with a net realizable value amounting to ₱24.7 million

Due from Related Parties

As of June 30, 2024, the balance of the Parent Company’s advances to related parties is ₱30.0 million, while the subsidiaries' balance of advances to related parties amounted to ₱97.1 million.

Other Current Assets

This account mainly consists of short-term investments amounting to ₱531.8 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 net input VAT of ₱48.2 million, prepayments such as insurance, taxes, rent, and trust fees of ₱34.9 million, cash bond deposits of ₱20.3 million, performance bond of ₱15.0 million, and creditable withholding taxes of ₱13.40 million.

Property, Plant, and Equipment

At Cost

Significant movement in this account includes the purchase of SPCC of an additional 50 units of inverters and smart loggers as replacements for old/damaged units amounting to ₱10.0 million and the additional costs pertaining to the ongoing construction of the Projects of the Group amounted to ₱164.7 million and other equipment amounting to ₱0.2 million.

In 2024, LRSC completed the construction of its ATC project and started commercial operations. Costs incurred to this project were reclassified from CIP to PPE amounting to ₱68.2 million.

For the six-month period ended June 30, 2024, the Group recognized depreciation of its various properties and amortization of Right-of-Use assets amounting to ₱154.2 million and ₱7.7 million, respectively. This resulted in a net increase of ₱10.2 million.

As of June 30, 2024, the Group's total land area under lease is at 454.26 hectares.

At Revalued Amount

This pertains to the parcels of land currently owned by the Group, including Terra Nueva, Inc. ("TNI"), SPCC and SPTC, which were reported at their fair market value as of December 31, 2023.

Deposits for Land Acquisition ("DFLA")

For the six-month period ended June 30, 2024, the Group made deposits for land acquisition including land-related costs to various landowners amounting to ₱1,071.4 million.

Other Noncurrent Assets

This account mainly consists long-term receivable by SPCC from Transco related to the FIT adjustments amounting to ₱370.5 million, input VAT of the Group amounting to ₱227.2 million, project related advances to contractors and development costs of Terra Solar Philippines Inc. ("TSPI") with an aggregate amount of ₱1,016.0 million, , construction materials of ₱50.6 million, long-term security deposits on leased properties of ₱9.9 million and Right-of-Way ("ROW") contracts of ₱6.3 million.

Intangible Assets

The intangible assets recorded as of June 30, 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 June 30, 2024, amounted to ₱9.9 million which is the difference between 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 Manila Electric Company (“Meralco”) to SPTC.

The third-party payables for the purchase of goods and services by the Group totaling ₱98.9 million, accrued interests for the loan facilities of SPTC and SPCC amounting to ₱95.7 million, related party payables amounting to ₱212.70 million, accrued expenses and purchases with a total amount of ₱108.1 million, income tax payable of SPCC amounting to ₱13.3 million, withholding taxes of ₱13.9 million, , retention payable of SPNEC with its EPC contractors amounting to ₱7.1 million and other payables of ₱13.5 million. Other non-trade payables mainly pertains to output VAT of ₱9.1 million, statutory and regulatory payables of ₱1.3 million and the remaining pertain to various non-trade payables of ₱3.1 million

Due to Related Parties

As of June 30, 2024, the balance of the Parent Company’s advances from related parties is ₱22.5 million, while the subsidiaries' balance of advances from related parties amounted to ₱462.90 million.

Lease Liabilities

As of March 31, 2024, the total land area under lease of the Group, is at 454.92 hectares. The outstanding lease liabilities of the Parent Company and SPTC are ₱281.4 million and ₱94.1 million, respectively.

Notes Payable

This account pertains to the long term debt used to finance the construction of the project of SPCC and SPTC which are reported to the Group’s financial statements as of June 30, 2024 amounting to a total of ₱2,915.4 million, net of deferred financing cost and ₱34.3 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 Solar Philippines Power Project Holdings, Inc. (“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 June 30, 2024 the loan has an outstanding balance of ₱1,084.4 million, net of deferred financing cost of ₱5.2 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 June 30, 2024, the loan has an outstanding balance of ₱1,831.0 million, net of deferred financing cost of ₱29.1 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 mainly pertains to the noncurrent portion of replacement energy costs payable by SPTC to Meralco of ₱92.6 million. The current portion of this replacement energy amounting to ₱11.2 million was presented as part of the trade and other payables.

Capital Stock

On January 17, 2024, the Securities and Exchange Commission ("SEC") approved the Parent Company's application to increase its Authorized Capital Stock from 50 billion common shares to 75 billion common shares and 25 billion preferred shares. Subsequently, the Parent Company reclassified its deposit for future stock subscription to capital stock amounting to ₱1,764.0 million.

Additional Paid-in Capital

Upon approval of the increase in authorized capital stock, the Parent Company recognized additional paid-in capital amounting to ₱14,080.3 million, net of stock issuance costs of ₱49.7 million from the reclassification of the deposit for future stock subscription.

Equity Reserves

This represents the impact of the common control business combination in 2023, 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.)

Non Controlling Interest ("NCI")

For the six-month period ended June 30, 2024, the NCI share in net income recognized in SPCC - KEPCO Philippines Holdings, Inc. ("KEPCO") and SPTC - Prime Metro Holdings Corporation ("Prime Metro") amounted to ₱128.4 million and ₱90.0 million, respectively.

Retained Earnings

The Group has gained a net income of ₱339.4 million for the six-month period ending June 30, 2024.

Material Changes to the Consolidated Statements of Comprehensive Income for the Six (6) - months ended June 30, 2024, compared to the Consolidated Statements of Comprehensive Income for the Six (6) -months ended June 30, 2023.

As of June 30, 2024, the Parent Company has subsidiaries that are in commercial operations.

Horizontal and Vertical Analysis of Comprehensive Income June 30, 2024 vs June 30, 2023						
Amounts in ₱0.00	June 30, 2024 (6 months) (Unaudited)	June 30, 2023 (6 months) (Unaudited)	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		June 2024	June 2023
			Amount	Percentage		
Revenue	717,454,798	64,042,942	653,411,856	1020.27%	211.39%	-184.27%
Cost of Sales	(220,563,561)	(37,388,662)	(183,174,899)	489.92%	-64.99%	107.58%
GROSS PROFIT	496,891,237	26,654,280	470,236,957	1764.21%	146.41%	-76.69%
General and Administrative Expenses	(194,697,735)	(49,083,602)	(145,614,133)	296.67%	-57.37%	141.23%
Other Income (Expense)	(2,264,156)	3,236,635	(5,500,791)	-169.95%	-0.67%	-9.31%
Finance Costs	(134,541,707)	(18,411,381)	(116,130,326)	630.75%	-39.64%	52.98%
Interest Income	202,048,402	2,849,333	199,199,069	6991.08%	59.53%	-8.20%
LOSS BEFORE TAX	367,436,041	(34,754,735)	402,190,776	-1157.23%	108.26%	100.00%
Provisions for Income Tax	(28,044,953)	-	(28,044,953)	100.00%	-8.26%	0.00%
NET LOSS AFTER TAX	339,391,088	(34,754,735)	374,145,823	-1076.53%	100.00%	100.00%
Other Comprehensive Income	-	-	-	100.00%	0.00%	0.00%
TOTAL COMPREHENSIVE INCOME (LOSS)	339,391,088	(34,754,735)	374,145,823	-1076.53%	100.00%	100.00%

Revenue

For the six months period ending June 30, 2024, the Group has recorded a total of ₱717.5 million revenue, mainly contributed by SPCC, SPRC, SPTC and LRSC from the sale of electricity.

Cost of Sales

Horizontal and Vertical Analysis of Comprehensive Income June 30, 2024 vs June 30, 2023						
Amounts in ₱0.00	June 30, 2024	June 30, 2023	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		June 2024	June 2023
			Amount	Percentage		
Depreciation and amortization	153,295,948	22,624,429	130,671,519	577.57%	45.17%	-65.10%
Consumables, parts and repairs	23,262,923	445,366	22,817,557	5123.33%	6.85%	-1.28%
Insurance	20,423,795	3,678,800	16,744,995	455.18%	6.02%	-10.59%
Contracted Services	12,845,091	5,722,270	7,122,821	124.48%	3.78%	-16.46%
Rentals	660,350	1,775,814	(1,115,464)	-62.81%	0.19%	-5.11%
Others	10,075,454	3,141,983	6,933,471	220.67%	2.97%	-9.04%
Cost of Sales	220,563,561	37,388,662	183,174,899	489.92%	64.99%	-107.58%

Costs of sale of electricity include expenses incurred that are directly attributable to the generation of revenues from solar energy. For the six month period ending June 30, 2024, the Group has recorded a total cost of sales of ₱220.6 million This account mainly consists of depreciation and insurance directly related to the power plant assets, consumables and repairs directly related to the operations and the

contracted services for the maintenance of the plant, the aggregate amount of which accounted for 95% of the total Cost of Sales. Other components are salaries and wages, utilities, and others.

General and Administrative Expenses

Horizontal and Vertical Analysis of Comprehensive Income June 30, 2024 vs June 30, 2023						
Amounts in ₱0.00	June 30, 2024	June 30, 2023	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		June 2024	June 2023
			Amount	Percentage		
Contracted Services	50,987,709	12,810,000	38,177,709	298.03%	15.02%	-36.86%
Miscellaneous Expense	49,035,808		49,035,808	100.00%	14.45%	0.00%
Taxes and licenses	48,643,084	13,631,552	35,011,532	256.84%	14.33%	-39.22%
Professional fees	10,442,235	9,353,162	1,089,073	11.64%	3.08%	-26.91%
Salaries and wages	10,269,950		10,269,950	100.00%	3.03%	0.00%
Depreciation and amortization	8,573,704	2,632,062	5,941,642	225.74%	2.53%	-7.57%
Transportation and Travel	5,817,527	-	5,817,527	100.00%	1.71%	0.00%
Utilities	2,809,959		2,809,959	100.00%	0.83%	0.00%
Insurance	4,570,973	2,545,580	2,025,393	79.57%	1.35%	-7.32%
Materials	1,190,268		1,190,268	100.00%	0.35%	0.00%
Others	2,356,518	8,111,246	(5,754,728)	-70.95%	0.69%	-23.34%
General and Administrative Expenses	194,697,736	49,083,602	145,614,134	296.67%	57.37%	-141.23%

Contracted Services

Contracted services pertain to the fees charged by the shareholder for the services rendered in relation to the maintenance of the plants and the management of the subsidiaries' back office operations and project development. For the six-month period ended June 30, 2024 and 2023, the Group has reported contracted services amounting to ₱51.0 million and ₱12.8 million, respectively. The increase in the contracted services mainly pertains to the charges from MGREEN for the services related to the project development of TSPI amounting to ₱32.9 million.

Miscellaneous Expenses

This account comprise of the bank fees and charges mainly related to the cost of the Stand by Letter of Credit (SBLC) paid in relation to TSPI project.

Taxes and Licenses

This account consists of the Group's payments for corporate business permit renewal, insurance-related taxes, land related real property taxes, CTC of titles, tax declarations, DAR filing fees, etc. This also includes PSE listing maintenance fees and regulatory fees such as government share and benefits of host communities. The increase mainly pertains to the real property taxes paid for the lots acquired for the TSPI project and the payment of government share arrears to DOE including penalties.

Professional Fees

These are audit fees, appraisal fees on properties of the Group, directors' fees, legal, and other consultancy services incurred by the Group.

Salaries and Wages

This mainly pertains to all salaries and benefits paid to the employees of SPTC and SPCC.

Depreciation and Amortization

It includes the depreciation of the ROU assets and other non-plant related assets such as but not limited to transportation equipment, office and computer equipment, furniture and fixtures. For the six-month period ended June 30, 2024, the Group recognized expense related to the depreciation of ROU assets amounting to ₱7.7 million while the balance pertains to the depreciation of other non-plant related assets.

Transportation and Travel

This pertains to expenses incurred by the employees for site and location visits related to TSPI project. Major components include fare and accommodation for local and foreign travels as well as car rentals.

Utilities

This mainly pertains to expenses related to communications such as leased lines, telephone and postage. This also includes water and power bills for administrative use.

Others

This account consists of other operating and administrative expenses incurred for the Group such as representation, employer share of government contributions, staff accommodation among others.

Finance Costs

This account includes interest on bank loans of SPTC and SPCC and interest accretion related lease liabilities of SPNEC and SPTC.

Interest Income

Pertains to the interest income from banks arising mainly from temporary placements of SPNEC.

Other Income (Expense)

This account includes other income and expense not directly attributable to operations such as sale of scrap and foreign exchange gains or losses. For the six-month period ended June 30, 2024, the Expense mainly pertains to Realized Forex Loss amounting to ₱2.6 million offset by the proceeds from sale of scrap amounting to ₱0.3 million.

Income Tax Expense

Pertains to the current income tax provision of SPCC. SPCC's income tax holiday has ended in 2023.

Net Income

For the six-month period ended June 30, 2024, the Group has derive a net income of ₱339.4 million.

Key Performance Indicators

Ratio	Formula	June 2024	December 2023
Current ratio	Dividing total current assets over total current liabilities	6.52	7.65
Acid test ratio	Dividing total current assets less inventory over total current liabilities	6.50	7.63
Solvency ratio	Dividing net income excluding depreciation and non-cash provisions over total debt obligations	0.06	0.70
Debt-to-equity ratio	Dividing total liabilities over stockholders' equity	0.20	0.21
Asset-to-equity ratio	Dividing total assets over total stockholders' equity	1.20	1.21
Interest rate coverage ratio	Dividing earnings before interest and taxes of one period over interest expense of the same period	3.73	36.70
Net debt-to-equity Ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	-0.12	-0.16
Return on equity (%)	Dividing the net income (annual basis) by total stockholders' equity (average)	0.79%	14.02%
Return on assets (%)	Dividing the net income (annual basis) by the total assets (average)	0.66%	11.62%