

# 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

(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

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

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 September 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 ☐

November 14, 2024

**SECURITIES AND EXCHANGE COMMISSION**

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

Attention: **DIRECTOR OLIVER O. LEONARDO**  
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)**

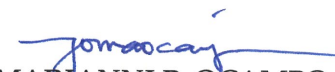
**Gentlemen:**

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 September 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 September 30, 2024 with Comparative Audited Figures as at December 31, 2023
- Unaudited Interim Condensed Consolidated Statements of Income for the Nine-Month Period Ended September 30, 2024 And 2023
- Unaudited Interim Condensed Consolidated Statements of Changes in Equity for the Nine-Month Period Ended September 30, 2024 And 2023
- Unaudited Interim Condensed Consolidated Statements of Cash Flows For the Nine-Month Period Ended September 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 September 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 nine (9)-months ended September 30, 2024, compared to the Consolidated Statements of Comprehensive Income for the nine (9) -months ended September 30, 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 read 'RD Gloria', written over the printed name.

**ROCHEL DONATO R. GLORIA**

Treasurer

Date: November 14, 2024

# SP New Energy Corporation and Subsidiaries

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

**SP NEW ENERGY CORPORATION  
AND SUBSIDIARIES**

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

**As at September 30, 2024**

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

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 3 and 16)	P6,940,138,388	P10,040,424,627
Trade and other receivables (Notes 4 and 16)	179,101,642	287,607,118
Due from related parties (Notes 11 and 16)	143,873,422	126,920,310
Inventories	–	24,800,913
Other current assets (Note 5)	524,192,608	744,366,136
<b>Total Current Assets</b>	<b>7,787,306,060</b>	<b>11,224,119,104</b>
<b>Noncurrent Assets</b>		
Property, plant and equipment (Note 6)		
At cost	10,262,170,320	10,136,123,220
At revalued amount	12,467,340,000	12,467,340,000
Deposits for land acquisition (Note 7)	5,649,040,597	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	9,291,007	9,646,601
Other noncurrent assets (Notes 8 and 16)	1,413,215,320	676,962,959
<b>Total Noncurrent Assets</b>	<b>43,072,903,270</b>	<b>39,958,695,202</b>
<b>TOTAL ASSETS</b>	<b>P50,860,209,330</b>	<b>P51,182,814,306</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables (Notes 9 and 16)	P469,789,787	P482,626,040
Due to related parties (Notes 11 and 16)	385,906,234	608,442,826
Current portion of:		
Long-term debt (Notes 10 and 16)	347,540,093	366,847,748
Lease liabilities (Notes 15 and 16)	13,255,926	8,962,861
<b>Total Current Liabilities</b>	<b>1,216,492,040</b>	<b>1,466,879,475</b>
<b>Noncurrent Liabilities</b>		
Noncurrent portion of:		
Long-term debt (Notes 10 and 16)	2,489,551,481	2,729,695,924
Lease liabilities (Notes 15 and 16)	370,283,404	381,109,300
Deferred tax liabilities	4,086,521,200	4,086,521,200
Other noncurrent liabilities	96,343,004	98,633,404
<b>Total Noncurrent Liabilities</b>	<b>7,042,699,089</b>	<b>7,295,959,828</b>
<b>TOTAL LIABILITIES</b>	<b>P8,259,191,129</b>	<b>P8,762,839,303</b>

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>Equity Attributable to Equity Holders of the Parent Company</b>		
Common stock (Note 12)	<b>₱5,007,305,000</b>	₱3,437,305,000
Preferred stock (Note 12)	<b>194,042,026</b>	—
Additional paid-in capital (Note 12)	<b>19,794,017,012</b>	5,713,764,409
Deposit for future stock subscription (Note 12)	<b>—</b>	15,894,042,026
Equity reserve	<b>688,902,762</b>	525,755,142
Revaluation surplus	<b>8,268,091,263</b>	8,268,091,263
Retained earnings	<b>5,414,909,041</b>	5,546,151,067
	<b>39,367,267,104</b>	39,385,108,907
<b>Non-controlling Interests</b>	<b>3,233,751,097</b>	3,034,866,096
<b>TOTAL EQUITY</b>	<b>42,601,018,201</b>	42,419,975,003
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱50,860,209,330</b>	₱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 September 30		Nine-Month Periods Ended September 30	
	2024	2023	2024	2023
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b> (Note 18)	<b>₱268,235,701</b>	₱269,623,227	<b>₱985,690,500</b>	₱333,666,169
<b>COSTS OF SALES AND SERVICES</b> (Note 13)	<b>(174,888,707)</b>	(123,154,496)	<b>(395,452,268)</b>	(160,543,158)
<b>GROSS PROFIT</b>	<b>93,346,994</b>	146,468,731	<b>590,238,232</b>	173,123,011
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b> (Note 14)	<b>(166,573,574)</b>	(47,721,124)	<b>(361,271,309)</b>	(96,804,726)
<b>FINANCE COSTS</b> (Notes 10 and 15)	<b>(68,840,485)</b>	(75,989,365)	<b>(203,382,192)</b>	(94,400,746)
<b>INTEREST INCOME</b> (Notes 3 and 5)	<b>97,016,230</b>	16,057,842	<b>299,064,632</b>	18,907,175
<b>OTHER INCOME (EXPENSE) - net</b> (Note 19)	<b>(97,416,065)</b>	20,630,252	<b>(99,680,221)</b>	23,866,887
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>(142,466,900)</b>	59,446,336	<b>224,969,142</b>	24,691,601
<b>PROVISION FOR INCOME TAX</b>	<b>641,215</b>	—	<b>28,686,168</b>	—
<b>NET INCOME (LOSS)</b>	<b>(₱143,108,115)</b>	₱59,446,336	<b>₱196,282,974</b>	₱24,691,601
<b>Net income (loss) attributable to:</b>				
Equity holders of the Parent Company	<b>(₱252,283,115)</b>	₱14,446,336	<b>(₱131,242,026)</b>	(₱42,808,399)
Non-controlling interest	<b>109,175,000</b>	45,000,000	<b>327,525,000</b>	67,500,000
	<b>(₱143,108,115)</b>	₱59,446,336	<b>₱196,282,974</b>	₱24,691,601
<b>Basic/Diluted Income (Loss) Per Share</b> (Note 17)	<b>(₱0.0050)</b>	₱0.0006	<b>(₱0.0026)</b>	(₱0.0021)

*See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.*

	Three-Month Periods Ended September 30		Nine-Month Periods Ended September 30	
<b>NET INCOME (LOSS)</b>	<b>(P143,108,115)</b>	<b>P59,446,336</b>	<b>P196,282,974</b>	<b>P24,691,601</b>
<b>OTHER COMPREHENSIVE INCOME</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 P514.1 million	–	–	–	1,542,255,053
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>(P143,108,115)</b>	<b>P59,446,336</b>	<b>P196,282,974</b>	<b>P1,566,946,654</b>
<b>Total comprehensive income (loss) attributable to:</b>				
Equity holders of the Parent Company	<b>(P252,283,115)</b>	<b>P14,446,336</b>	<b>(P131,242,026)</b>	<b>P1,499,446,654</b>
Non-controlling interest	<b>109,175,000</b>	<b>45,000,000</b>	<b>327,525,000</b>	<b>67,500,000</b>
	<b>(P143,108,115)</b>	<b>P59,446,336</b>	<b>P196,282,974</b>	<b>P1,566,946,654</b>

*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 NINE-MONTH PERIODS ENDED SEPTEMBER 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)
Change due to loss of control (Note 19)	–	–	–	–	163,142,620	–	–	163,147,620	(128,639,999)	34,507,621
	1,570,000,000	194,042,026	14,080,252,603	(15,894,042,026)	163,142,620	–	–	113,400,223	(128,639,999)	(15,239,776)
Total comprehensive income (loss) for the period	–	–	–	–	–	–	(131,242,026)	(131,242,026)	327,525,000	196,282,974
<b>Balances at September 30, 2024</b>	<b>P5,007,305,000</b>	<b>P194,042,026</b>	<b>P19,794,017,012</b>	<b>P–</b>	<b>P688,902,762</b>	<b>P8,268,091,263</b>	<b>P5,414,909,041</b>	<b>P39,367,267,104</b>	<b>P3,233,751,097</b>	<b>P42,601,018,201</b>
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	–	–	–	–	–	(54,235,555)	2,383,069,445	–	2,383,069,445
Equity infusion (Note 12)	–	–	774,480,324	–	–	–	–	774,480,324	–	774,480,324
Effect of common control business combination	–	–	–	–	508,005,980	2,226,398,078	737,452	2,735,141,510	–	2,735,141,510
Non-controlling interest arising from effect of business combination	–	–	–	–	–	–	–	–	3,400,016,097	3,400,016,097
	2,437,305,000	–	774,480,324	–	508,005,980	2,226,398,078	(53,498,103)	5,892,691,279	3,400,016,097	9,292,707,376
Net income (loss) for the period	–	–	–	–	–	–	(42,808,399)	(42,808,399)	67,500,000	24,690,601
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	(42,808,399)	1,499,446,654	67,500,000	1,566,946,654
<b>Balances at September 30, 2023</b>	<b>P3,437,305,000</b>	<b>P–</b>	<b>P5,713,202,754</b>	<b>P–</b>	<b>P508,005,980</b>	<b>P3,768,653,131</b>	<b>(P222,433,443)</b>	<b>P13,204,733,422</b>	<b>P3,467,516,097</b>	<b>P16,672,249,519</b>

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	<b>₱224,969,142</b>	₱24,691,601
Adjustments for:		
Depreciation and amortization (Notes 6, 13 and 14)	<b>301,536,102</b>	100,244,112
Finance costs (Notes 10 and 15)	<b>203,382,192</b>	94,400,746
Loss on deconsolidation (Note 19)	<b>95,896,920</b>	–
Interest income (Note 18)	<b>(299,064,632)</b>	(18,907,175)
Reversal of impairment (Note 14)	<b>(3,653,777)</b>	–
Gain on sale of solar power plant	–	(17,625,184)
Unrealized foreign exchange loss	–	18,603
Operating income before working capital changes	<b>523,065,947</b>	182,822,703
Decrease (increase) in:		
Trade receivables (Notes 4, 14 and 19)	<b>(41,181,568)</b>	166,675,200
Inventories (Note 19)	<b>1,041,470</b>	41,746,762
Other current assets (Notes 12 and 19)	<b>178,053,710</b>	(57,493,969)
Increase (decrease) in:		
Trade and other payables (Notes 9 and 19)	<b>225,656,442</b>	(304,301,976)
Other current liabilities	–	(81,964,330)
Dividends payable	–	(61,570,424)
Net cash flows from (used in) operations	<b>886,636,001</b>	(114,086,034)
Interest received	<b>299,064,632</b>	1,115,872
Income tax paid	<b>(3,851,132)</b>	–
Net cash flows from (used in) operating activities	<b>1,181,849,501</b>	(112,970,162)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change due to loss of control, net of cash surrender (Note 19)	<b>70,144,364</b>	–
Additions to:		
Deposits for land acquisition (Note 7)	<b>(2,252,264,201)</b>	(1,219,096,235)
Property, plant and equipment (Notes 6 and 19)	<b>(335,336,074)</b>	(547,257,045)
Decrease (increase) in:		
Due from related parties (Notes 11 and 19)	<b>(79,552,016)</b>	471,964,809
Other noncurrent assets (Notes 8 and 19)	<b>(1,159,914,675)</b>	331,735,101
Acquisition of Solar Philippines Assets, net of cash acquired	–	(2,715,890,476)
Decrease in other noncurrent liabilities	–	(4,501,202)
Cash flows used in investing activities	<b>(3,756,922,602)</b>	(3,683,045,048)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of:		
Long-term debt (Note 10)	<b>(264,950,000)</b>	(143,958,994)
Interest	<b>(99,150,218)</b>	–
Lease liabilities (Note 15)	<b>(26,834,544)</b>	(18,096,655)
Stock issuance cost (Note 12)	<b>(17,640,422)</b>	–

(Forward)

	2024	2023
Increase (decrease) in:		
Due to related parties (Notes 11 and 19)	(114,347,554)	297,372,969
Other noncurrent liabilities	(2,290,400)	—
Issuance of shares, net of stock issuance cost	—	2,383,069,445
Equity infusion	—	774,480,324
Collection of subscription receivable	—	649,796,605
Net cash flows from (used in) financing activities	(525,213,138)	3,942,663,694
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>P—</b>	<b>(P18,603)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(3,100,286,239)</b>	<b>146,648,484</b>
<b>CASH AND CASH EQUIVALENTS AT JANUARY 1</b>	<b>10,040,424,627</b>	<b>37,232,084</b>
<b>CASH AND CASH EQUIVALENTS AT SEPTEMBER 30</b> (Notes 3 and 16)	<b>P6,940,138,388</b>	<b>P183,861,965</b>

*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”.

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. 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 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 November 13, 2024, MGreen is considered as the controlling shareholder of SPNEC with a total voting interest of 53.66%.

#### (b) Group Information

The Parent Company and its subsidiaries are hereby collectively referred to as the “Group”. All subsidiaries are incorporated in the Philippines. As of November 13, 2024, the Parent Company has subsidiaries that are in commercial operations.

The consolidated financial statements comprise the Parent Company and the following subsidiaries of the Group:

Subsidiaries	Percentage of Ownership (%)			
	September 30, 2024		December 31, 2023	
	Direct	Indirect	Direct	Indirect
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)	100	—	100	—
Terra Nueva, Inc. (Terra Nueva)	100	—	100	—
SP Holdings, Inc. (SP Holdings)	100	—	100	—
Solar Philippines Rooftop Corporation (SP Rooftop)	—	—	100	—
(Forward)				

	Percentage of Ownership (%)			
	September 30, 2024		December 31, 2023	
Solar Philippines Batangas Corporation (SP Batangas)	—	—	100	—
Solar Philippines Batangas Baseload Corporation (SP Batangas Baseload)	—	—	100	—
Solar Philippines Central Visayas Corporation (SP Central Visayas)	—	—	100	—
Solar Philippines Eastern Corporation (SP Eastern)	—	—	100	—
Solar Philippines Retail Electricity, Inc. (SP Retail)	—	—	100	—
Solar Philippines Southern Mindanao Corporation (SP Southern Mindanao)	—	—	100	—
Solar Philippines Southern Tagalog Corporation (SP Southern Tagalog)	—	—	100	—
Solar Philippines South Luzon Corporation (SP South Luzon)	—	—	100	—
Solar Philippines Tarlac Baseload Corporation (SP Tarlac Baseload)	—	—	100	—
Solar Philippines Visayas Corporation (SP Visayas)	—	—	100	—
Solar Philippines Western Corporation (SP Western)	—	—	100	—
Laguna Rooftop Solar Corporation (Laguna Rooftop)	—	—	60	—

<sup>2</sup>Economic interest is 100% after dividend to preferred stock

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

(c) 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.

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

The unaudited interim condensed consolidated financial statements of the Group as of September 30, 2024 and December 31, 2023 and for the nine-month period ended September 30, 2024 and 2023 were authorized for issue by the BOD on November 13, 2024.

---

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

### Basis of Preparation

The unaudited interim consolidated financial statements of the Group as of September 30, 2024 and for the nine-month periods ended September 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 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 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

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash on hand and in banks	<b>P871,258,056</b>	P9,934,772,578
Short-term deposits	<b>6,068,880,332</b>	105,652,049
	<b>P6,940,138,388</b>	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

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade receivables		
Third parties	<b>P177,693,867</b>	P351,397,454
Related party	–	4,189,066
Non-trade receivables		
Subscription receivable	<b>1,319,056</b>	1,319,056
Others	<b>163,999</b>	–
	<b>179,176,922</b>	356,905,576
Less allowance for doubtful accounts	<b>(75,280)</b>	(69,298,458)
	<b>P179,101,642</b>	P287,607,118

Movement in allowance for doubtful accounts are as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period	<b>P69,298,458</b>	P–
Deconsolidation	<b>(65,569,401)</b>	–
Effect of business combination under common control	–	69,645,553
Provision for impairment loss	–	75,280
Reversal	<b>(3,653,777)</b>	(422,375)
Balance at end of period	<b>P75,280</b>	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

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Deposit (Notes 11 and 19)	<b>P400,000,000</b>	<b>P–</b>
Input VAT	<b>43,749,744</b>	41,086,277
Bonds	<b>35,267,363</b>	35,267,363
Creditable withholding taxes	<b>9,583,150</b>	6,748,265
Short-term investments	–	575,810,259
Deferred transaction costs	–	32,106,975
Advances to suppliers	–	15,330,330
Others	<b>35,745,072</b>	43,626,491
	<b>524,345,329</b>	749,975,960
Less allowance for impairment	<b>(152,721)</b>	(5,609,824)
	<b>P524,192,608</b>	<b>P744,366,136</b>

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

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period	<b>P5,609,824</b>	<b>P–</b>
Deconsolidation	<b>(3,585,802)</b>	–
Reversal	<b>(1,871,301)</b>	(204,934)
Effect of business combination under common control	–	5,133,866
Provision for impairment loss	–	680,892
Balance at end of period	<b>P152,721</b>	<b>P5,609,824</b>

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 Solar Philippines Power Project Holdings, Inc. (“SP Project Holdings”) that are subject to liquidation within 30 days.

## 6. Property, Plant and Equipment

At cost

**September 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(CIP)	Total
<b>Cost</b>									
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	161,710,536	31,440	12,962,947	10,805,509	411,931	—	—	165,551,975	351,474,338
Reclassification (Note 8)	—	(722,248)	—	(3,637,967)	—	—	—	409,307,719	404,947,504
Deconsolidation (Note 19)	(88,219,969)	—	—	—	—	—	—	(258,533,690)	(346,753,659)
<b>Balances at end of period</b>	<b>8,613,768,963</b>	<b>1,676,955</b>	<b>13,664,029</b>	<b>11,213,409</b>	<b>796,962</b>	<b>534,653,539</b>	<b>1,543,512</b>	<b>2,969,102,844</b>	<b>12,146,420,213</b>
<b>Accumulated depreciation, amortization, and impairment losses</b>									
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)	288,121,595	247,601	757,076	749,755	47,262	11,566,508	46,305	—	301,536,102
Amortization capitalized to CIP	—	—	—	—	—	4,254,267	—	—	4,254,267
Deconsolidation (Note 19)	(7,612,739)	—	—	—	—	—	—	(14,556,547)	(22,169,286)
<b>Balances at end of period</b>	<b>1,783,161,560</b>	<b>1,024,700</b>	<b>1,178,014</b>	<b>2,103,180</b>	<b>411,689</b>	<b>96,303,865</b>	<b>66,885</b>	<b>—</b>	<b>1,884,249,893</b>
<b>Net book value</b>	<b>P6,830,607,403</b>	<b>P652,255</b>	<b>P12,486,015</b>	<b>P9,110,229</b>	<b>P385,273</b>	<b>P438,349,674</b>	<b>P1,476,627</b>	<b>P2,969,102,844</b>	<b>P10,262,170,320</b>

In 2024, Terra Solar began the development of the Terra Solar project (see Note 20).

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 September 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 September 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 September 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	September 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
Individual Stockholder	87.50	421,618,085	87.50	421,618,085
Various landowners	3,073.61	4,690,422,512	2,092.72	2,438,158,311
	3,286.54	₱5,649,040,597	2,305.65	₱3,396,776,396

The 87.50-hectares property with deposit for land acquisition to the Individual Stockholder 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:

	<b>September 30, 2024</b>	December 31, 2023
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balances at beginning of period	<b>P2,438,158,311</b>	P1,489,892,396
Additions	<b>2,252,264,201</b>	723,096,532
Reclassifications from (to):		
Deposit	–	500,000,000
Land	–	(287,506,687)
Effect of business combination under common control	–	12,676,070
Balances at end of period	<b>P4,690,422,512</b>	<b>P2,438,158,311</b>

As of September 30, 2024 and December 31, 2023, the remaining balance amounting to P1,334.5 million and P1,111.8 million, respectively, will be payable when the conditions under the contracts to sell are satisfied.

## 8. Other Noncurrent Assets

	<b>September 30, 2024</b>	December 31, 2023
	<b>(Unaudited)</b>	<b>(Audited)</b>
Advances to suppliers		
Related parties (Note 11)	<b>P714,681,224</b>	P–
Third parties	<b>31,567,955</b>	–
Long-term receivables	<b>384,504,071</b>	318,977,637
Input VAT	<b>141,085,188</b>	138,451,932
Deferred input VAT	<b>74,757,423</b>	78,188,325
Plant construction materials	<b>50,631,692</b>	50,624,254
Project development costs (Note 6)	–	75,062,130
Others	<b>16,115,935</b>	15,786,849
	<b>1,413,343,488</b>	677,091,127
Less allowance for impairment of input VAT	<b>(128,168)</b>	(128,168)
	<b>P1,413,215,320</b>	<b>P676,962,959</b>

Project development costs pertain to costs incurred by Terra Solar in relation to the development of its solar power project. In 2024, TSPI has entered into various services agreements in relation to the development of the area intended for the construction of the solar plant.

## 9. Trade and Other Payables

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Accounts payable		
Third parties	<b>₱206,560,834</b>	₱49,127,667
Related parties (Note 11)	<b>138,379,177</b>	185,013,429
Interest payable	<b>82,692,318</b>	99,315,778
Retention payable	<b>13,198,337</b>	—
Accrued purchases	<b>8,925,877</b>	10,743,183
Withholding tax payable	<b>5,777,271</b>	13,793,524
Accrued expenses	<b>176,678</b>	89,591,394
Income tax payable	—	21,707,307
Other payables	<b>14,079,295</b>	13,333,758
	<b>₱469,789,787</b>	₱482,626,040

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

Other payables include unbilled liabilities for costs of benefits to host communities provided under Department of Energy (“DOE”) Energy Regulations No. 1-94, and 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 September 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 ₱93.2 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 as of <b>September 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
<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	<b>₱1,780.0</b>	₱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	<b>1,089.5</b>	1,198.8
Total				<b>2,869.5</b>	3,134.6
Less unamortized debt transaction cost				<b>(32.5)</b>	(38.0)
				<b>2,837.0</b>	3,096.6
Current portion				<b>347.5</b>	366.9
Long-term debt, net of current portion				<b>₱2,489.5</b>	₱2,729.7

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)	(2,825,221)	(5,497,902)
Balance at end of period	₱29,128,694	₱3,379,732	₱32,508,426

## 11. Related Party Transactions

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

	Transactions during the nine-months period ended September 30 (Unaudited)		Outstanding balance as of		Terms	Conditions
	2024*	2023	<b>September 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)		
<b>Deposit</b> (Notes 5 and 20)						
MIESCOR	<b>₱400,000,000</b>	₱–	<b>₱400,000,000</b>	₱–	Deposits; non-interest bearing	Unsecured; Not impaired



		Transactions during the nine-months period ended September 30 (Unaudited)		Outstanding balance as of			
				September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	Terms	Conditions
2024*		2023					
<b>Advances to suppliers</b> (Notes 8 and 20)							
SP Project Holdings						Cash advances	Unsecured
	<b>P688,000,000</b>	<b>P–</b>	<b>P688,000,000</b>	<b>P–</b>			
MIESCOR		<b>–</b>	<b>14,799,879</b>	<b>–</b>		-do-	-do-
MIESCOR Builders, Inc.		<b>–</b>	<b>11,881,345</b>	<b>–</b>		-do-	-do-
			<b>P714,681,224</b>	<b>P–</b>			
<b>Deposits for land acquisition</b> (Note 7)							
						Deposits; non-interest bearing	Unsecured; Not impaired
Individual Stockholder		<b>P–</b>	<b>P–</b>	<b>P421,618,085</b>	<b>P421,618,085</b>		
LHHC		<b>–</b>	<b>–</b>	<b>270,000,000</b>	<b>270,000,000</b>	-do-	-do-
PIC		<b>–</b>	<b>–</b>	<b>267,000,000</b>	<b>267,000,000</b>	-do-	-do-
				<b>P958,618,085</b>	<b>P958,618,085</b>		
<b>Due from related parties</b> <i>Intermediate Parent Company</i>							
						Due and demandable; non-interest bearing	Unsecured; Not impaired
MGreen		<b>P585,729</b>	<b>P–</b>	<b>P585,729</b>	<b>P–</b>		
<i>Affiliates</i>							
SP Project Holdings		<b>P–</b>	<b>P–</b>	<b>P85,708,957</b>	<b>P87,967,930</b>	-do-	-do-
SPCRPI		<b>–</b>	<b>80,500,000</b>	<b>31,398,913</b>	<b>31,654,070</b>	-do-	-do-
SP Rooftop		<b>14,472,361</b>	<b>–</b>	<b>14,472,361</b>	<b>–</b>	-do-	-do-
Individual Stockholder		<b>–</b>	<b>–</b>	<b>7,293,310</b>	<b>7,293,310</b>	-do-	-do-
SP Batangas Baseload		<b>3,264,680</b>	<b>–</b>	<b>3,264,680</b>	<b>–</b>	-do-	-do-
Laguna Rooftop		<b>352,996</b>	<b>–</b>	<b>352,996</b>	<b>–</b>	-do-	-do-
SP Eastern		<b>131,744</b>	<b>–</b>	<b>131,744</b>	<b>–</b>	-do-	-do-
SP South Luzon		<b>111,745</b>	<b>–</b>	<b>111,745</b>	<b>–</b>	-do-	-do-
SP Visayas		<b>65,320</b>	<b>–</b>	<b>65,320</b>	<b>–</b>	-do-	-do-
SP Batangas		<b>62,744</b>	<b>–</b>	<b>62,744</b>	<b>–</b>	-do-	-do-
SP Central Visayas		<b>61,744</b>	<b>–</b>	<b>61,744</b>	<b>–</b>	-do-	-do-
SP Southern Tagalog		<b>61,744</b>	<b>–</b>	<b>61,744</b>	<b>–</b>	-do-	-do-
SP Tarlac Baseload		<b>61,744</b>	<b>–</b>	<b>61,744</b>	<b>–</b>	-do-	-do-
SP Western		<b>61,744</b>	<b>–</b>	<b>61,744</b>	<b>–</b>	-do-	-do-
SP Retail		<b>54,459</b>	<b>–</b>	<b>54,459</b>	<b>–</b>	-do-	-do-
SP Southern Mindanao		<b>51,744</b>	<b>–</b>	<b>51,744</b>	<b>–</b>	-do-	-do-
SP Systems		<b>51,744</b>	<b>–</b>	<b>51,744</b>	<b>–</b>	-do-	-do-
SP Central Luzon		<b>20,000</b>	<b>–</b>	<b>20,000</b>	<b>5,000</b>	-do-	-do-
				<b>P143,873,422</b>	<b>P126,920,310</b>		
<b>Due to related parties</b>							
						Due and demandable; non-interest bearing	Unsecured
SP Project Holdings		<b>P–</b>	<b>P300,000,000</b>	<b>P347,523,294</b>	<b>P536,656,775</b>		
Countryside		<b>724,344</b>	<b>–</b>	<b>38,227,026</b>	<b>37,552,682</b>	-do-	-do-
PIC		<b>90,915</b>	<b>–</b>	<b>90,915</b>	<b>–</b>	-do-	-do-
Global		<b>15,000</b>	<b>–</b>	<b>15,000</b>	<b>–</b>	-do-	-do-
TRHI		<b>–</b>	<b>–</b>	<b>–</b>	<b>33,988,926</b>	-do-	-do-
DGA		<b>–</b>	<b>–</b>	<b>–</b>	<b>244,443</b>	-do-	-do-
				<b>P385,906,234</b>	<b>P608,442,826</b>		
<b>Accounts payable</b> (Note 9)							
						Due and demandable; non-interest bearing	Unsecured
SP Project Holdings		<b>P35,029,500</b>	<b>P30,810,000</b>	<b>P85,345,058</b>	<b>P65,881,659</b>		
MGreen		<b>63,380,000</b>	<b>–</b>	<b>26,449,144</b>	<b>–</b>	-do-	-do-
SMSC		<b>33,481,039</b>	<b>14,554,574</b>	<b>24,314,975</b>	<b>32,869,361</b>	-do-	-do-

	Transactions during the nine-months period ended September 30 (Unaudited)		Outstanding balance as of		Terms	Conditions
	2024*	2023	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)		
Global	20,430,000	—	2,270,000	—	-do-	-do-
SPCRPI	—	—	—	85,714,453	-do-	-do-
SPMMC	—	—	—	547,956	-do-	-do-
			<b>₱138,379,177</b>	<b>₱185,013,429</b>		

\*Includes effect of deconsolidation.

In July 2024, Terra Solar entered into Service Agreements with Global Business Power Corporation (“Global”), an affiliate, and MGreen to provide support services for project development and business operations until December 31, 2024. Service fees incurred from Global amounted to ₱20.4 million presented as part of “Other contracted services in general and administrative expenses (see Note 14). Service fees incurred from MGreen amounted to ₱63.4 million, for which ₱46.7 million was capitalized as part of “Construction in progress” (see Note 6).

## 12. Equity

### Capital Stock and Additional Paid-in Capital

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

	September 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	<b>75,000,000,000</b>	<b>₱7,500,000,000</b>	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	<b>50,073,050,000</b>	<b>₱5,007,305,000</b>	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	<b>25,000,000,000</b>	<b>₱250,000,000</b>	—	₱—
Issued and outstanding:				
Balances at beginning of period	—	₱—	—	₱—
Issuances of shares	19,404,202,552	194,042,026	—	—
Balances at end of period	<b>19,404,202,552</b>	<b>₱194,042,026</b>	—	₱—

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 acquired additional 2.2 billion shares from SP Project Holdings.

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 Nine-Month Periods Ended September 30 (Unaudited)	
	2024	2023
Depreciation and amortization (Note 6)	<b>₱288,124,278</b>	₱96,191,508
Consumables, parts and repairs	<b>38,812,940</b>	2,765,776
Insurance	<b>32,315,364</b>	17,114,021
Contracted services	<b>19,213,669</b>	22,524,979
Rentals	<b>786,750</b>	3,839,974
Other operations and maintenance expenses	<b>16,199,267</b>	18,106,900
	<b>₱395,452,268</b>	₱160,543,158

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 Nine-Month Period Ended September 30 (Unaudited)	
	2024	2023
Professional services	<b>₱101,212,518</b>	₱11,728,677
Other contracted services (Note 11)	<b>83,722,288</b>	22,425,000
Taxes, licenses and fees	<b>52,532,656</b>	25,638,579
Miscellaneous	<b>34,941,274</b>	10,793,958
Salaries and wages	<b>19,219,537</b>	544,848
Depreciation and amortization (Note 8)	<b>13,411,825</b>	4,052,604
Transportation and travel	<b>6,415,009</b>	799,981
Insurance	<b>5,810,259</b>	5,699,507
Utilities	<b>3,859,320</b>	—
Materials	<b>2,057,641</b>	353,633
Employee benefits and allowances	<b>1,358,701</b>	—
Rentals	<b>346,380</b>	3,348,486
Others	<b>36,383,901</b>	11,419,453
	<b>₱361,271,309</b>	₱96,804,726

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 September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at beginning of period	<b>₱390,072,161</b>	₱303,138,420
Interest expense capitalized to CIP*	<b>7,523,782</b>	13,213,102
Interest expense	<b>12,777,931</b>	10,743,700
Payments	<b>(26,834,545)</b>	(18,526,228)
Additions through business combination under common control	—	98,120,014
Adjustments	—	(16,616,847)
Total lease liabilities	<b>383,539,330</b>	390,072,161
Current portion of lease liabilities	<b>13,255,926</b>	8,962,861
Noncurrent portion of lease liabilities	<b>₱370,283,404</b>	₱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 Nine-Month Period Ended September 30 (Unaudited)	
	2024	2023
Interest accretion of lease liabilities	<b>₱12,777,931</b>	₱6,141,889
Amortization of ROU assets	<b>11,566,508</b>	3,865,896
Expenses relating to leases of low-value assets in:		
Costs of sales and services (Note 13)	<b>786,750</b>	3,839,974
General and administrative expenses (Note 14)	<b>346,380</b>	3,348,486
Total amounts recognized in the unaudited interim condensed consolidated statement of comprehensive income	<b>₱25,477,569</b>	₱17,196,245

## 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 and other receivables, due from related parties, short-term investments and bonds (under other current assets) and long-term receivables (under other noncurrent assets) amounted to ₱7,682.2 million and ₱11,385.5 million as of September 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 September 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 September 30, 2024 and December 31, 2023, the aging analysis per class of financial assets that were past due is as follows:

**September 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*	P6,939,581	P–	P–	P–	P–	P6,939,581
Trade and other receivables	179,177	–	–	–	–	179,177
Bonds	35,267	–	–	–	–	35,267
Due from related parties	143,873	–	–	–	–	143,873
Long-term receivables	384,504	–	–	–	–	384,504
	P7,682,402	P–	P–	P–	P–	P7,682,402

\*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 and other receivables	287,607	–	–	–	69,596	357,203
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 summarize the maturity profile as of September 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:

	September 30, 2024 (Unaudited)				
	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*	P6,939,581	P–	P–	P–	P6,939,581
Trade and other receivables	1,319	177,858	–	–	179,177
Bonds	35,267	–	–	–	35,267
Due from related parties	143,873	–	–	–	143,873
Long-term receivables	–	–	–	384,504	384,504
	<b>P7,120,040</b>	<b>P177,858</b>	<b>P–</b>	<b>P384,504</b>	<b>P7,682,402</b>
<b>Financial liabilities at amortized cost:</b>					
Trade and other payables**	P–	P345,117	P–	P–	P345,117
Due to related parties	385,906	–	–	–	385,906
Lease liabilities***	–	28,855	120,320	652,749	801,924
Long-term debt***	–	574,374	2,212,906	1,006,022	3,793,302
	<b>P385,906</b>	<b>P948,346</b>	<b>P2,333,226</b>	<b>P1,658,771</b>	<b>P5,326,249</b>

\*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
<i>(In Thousand Pesos)</i>					
<b>Financial assets at amortized cost:</b>					
Cash and cash equivalents*	P10,040,120	P–	P–	P–	P10,040,120
Trade and other receivables	193,212	94,395	–	–	287,607
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
	<b>P10,972,099</b>	<b>P94,395</b>	<b>P318,978</b>	<b>P–</b>	<b>P11,385,472</b>
<b>Financial liabilities at amortized cost:</b>					
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
	<b>P608,443</b>	<b>P721,409</b>	<b>P1,683,284</b>	<b>P1,883,063</b>	<b>P4,896,199</b>

\*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 nine-month periods ended September 30, 2024 and 2023.

The Group considers the following as its core capital:

	<b>September 30, 2024 (Unaudited)</b>	<b>December 31,2023 (Audited)</b>
Capital stock	<b>5,201,347,026</b>	₱3,437,305,000
Additional paid-in capital	<b>19,794,017,012</b>	5,713,764,409
Equity reserve	<b>688,902,762</b>	525,755,142
Revaluation surplus	<b>8,268,091,263</b>	8,268,091,263
Retained earnings	<b>5,414,909,041</b>	5,546,151,067
Deposit for future stock subscription	—	15,894,042,026
	<b>₱39,367,267,104</b>	<b>₱39,385,108,907</b>

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 September 30, 2024.



---

## 17. Basic/Diluted Loss Per Share

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

	For the Nine-Month Period Ended September 30 (Unaudited)	
	2024	2023
(a) Net loss attributable to equity holders of the Parent Company	<b>₱131,242,026</b>	₱42,808,399
(b) Weighted average number of common shares outstanding	<b>50,073,050,000</b>	20,832,466,667
Basic/diluted loss per share (a/b)	<b>(₱0.0026)</b>	(₱0.0021)

The Group does not have any dilutive potential common shares for the nine-month periods ended September 30, 2024 and 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:

September 30, 2024 (Nine Months) (Unaudited)						
	SPNEC	SP Calatagan	SP Tarlac	Others	Adjustments*	Total
Segment revenue	P–	P616,240,248	P361,305,768	P–	P8,144,484	P985,690,500
Segment expenses	(135,724,640)	(104,267,214)	(84,247,030)	(127,520,477)	(6,368,777)	(458,128,138)
Segment results	(135,724,640)	511,973,034	277,058,738	(127,520,477)	1,775,707	527,562,362
Interest income	270,140,297	17,224,557	9,961,023	1,391,861	346,894	299,064,632
Finance costs	(7,107,104)	(73,454,633)	(122,826,455)	–	–	(203,382,192)
Depreciation and amortization	(3,907,429)	(159,007,961)	(134,665,855)	(1,014,194)	–	(298,595,439)
Other income (expense)	(102,000,996)	(2,313,331)	(631,054)	(107,059)	5,372,220	(99,680,220)
Net income (loss) before tax	21,406,128	294,421,666	28,896,397	(127,249,869)	7,494,820	224,969,138
Provision for income tax	–	28,686,168	–	–	–	28,686,168
Net income (loss)	P21,406,128	P265,735,498	P28,896,397	(P127,249,869)	P7,494,820	P196,282,974

\*Pertains to eliminating entries and other consolidation adjustments.

September 30, 2023 (Nine Months) (Unaudited)							
	SPNEC	SP Tarlac	SP Calatagan	SP Rooftop	Others	Adjustments*	Total
Segment revenue	P–	P158,392,607	P168,004,075	P8,197,650	P–	(P928,162)	P333,666,170
Segment expenses	(53,448,251)	(44,611,527)	(25,055,385)	(16,870,075)	(17,144,260)	–	(157,104,772)
Segment results	(53,448,251)	113,781,080	142,948,690	(8,672,425)	(17,144,260)	(928,162)	176,536,672
Interest income	701,339	3,936,930	13,844,529	413,751	10,626	–	18,907,175
Finance costs	(7,657,181)	(59,390,364)	(27,353,202)	–	–	–	(94,400,747)
Depreciation and amortization	(3,907,429)	(67,265,775)	(28,735,595)	(309,587)	–	–	(100,218,386)
Other income (expense)	142,994	4,691,998	16,708	19,016,612	(1,425)	–	23,866,887
Net income (loss)	(P64,168,528)	(P4,246,131)	P100,721,130	P10,448,351	(P17,135,059)	(P928,162)	P24,691,601

\*Pertains to eliminating entries and other consolidation adjustments.

September 30, 2024 (Unaudited)

	SPNEC	SP Calatagan	SP Tarlac	Others	Adjustments*	Total
<b>Current assets</b>	<b>P12,115,313,952</b>	<b>P878,080,664</b>	<b>P487,193,356</b>	<b>P1,071,397,778</b>	<b>(P6,764,679,690)</b>	<b>P7,787,306,060</b>
<b>Noncurrent assets</b>	<b>13,102,407,067</b>	<b>5,676,136,194</b>	<b>6,644,609,380</b>	<b>5,481,530,476</b>	<b>12,168,220,153</b>	<b>43,072,903,270</b>
<b>Total</b>	<b>P25,217,721,019</b>	<b>P6,554,216,858</b>	<b>P7,131,802,736</b>	<b>P6,552,928,254</b>	<b>P5,403,540,463</b>	<b>P50,860,209,330</b>
<b>Current liabilities</b>	<b>P187,904,315</b>	<b>P313,157,791</b>	<b>P577,688,295</b>	<b>P6,902,421,329</b>	<b>(P6,764,679,690)</b>	<b>P1,216,492,040</b>
<b>Noncurrent liabilities</b>	<b>274,650,094</b>	<b>1,295,011,318</b>	<b>2,167,000,035</b>	<b>–</b>	<b>3,306,037,642</b>	<b>7,042,699,089</b>
<b>Total</b>	<b>P462,554,409</b>	<b>P1,608,169,109</b>	<b>P2,744,688,330</b>	<b>P6,902,421,329</b>	<b>(P3,458,642,048)</b>	<b>P8,259,191,129</b>

\*Pertains to eliminating entries and other consolidation adjustments.

December 31, 2023 (Audited)

	SPNEC	SP Calatagan	SP Tarlac	SP Rooftop	Others	Adjustments*	Total
<b>Current assets</b>	<b>P12,224,875,406</b>	<b>P696,287,698</b>	<b>P487,397,004</b>	<b>P258,298,000</b>	<b>P191,704,735</b>	<b>(P2,634,443,739)</b>	<b>P11,224,119,104</b>
<b>Noncurrent assets</b>	<b>13,029,874,184</b>	<b>5,675,924,976</b>	<b>6,761,973,459</b>	<b>92,303,787</b>	<b>10,333,450,332</b>	<b>4,065,168,464</b>	<b>39,958,695,202</b>
<b>Total</b>	<b>P25,254,749,590</b>	<b>P6,372,212,674</b>	<b>P7,249,370,463</b>	<b>P350,601,787</b>	<b>P10,525,155,067</b>	<b>P1,430,724,725</b>	<b>P51,182,814,306</b>
<b>Current liabilities</b>	<b>P184,722,370</b>	<b>P288,533,947</b>	<b>P591,246,084</b>	<b>P348,965,791</b>	<b>P2,687,855,022</b>	<b>(P2,634,443,739)</b>	<b>P1,466,879,475</b>
<b>Noncurrent liabilities</b>	<b>286,519,338</b>	<b>1,403,366,474</b>	<b>2,299,906,373</b>	<b>–</b>	<b>1,979,978,479</b>	<b>1,326,189,164</b>	<b>7,295,959,828</b>
<b>Total</b>	<b>P471,241,708</b>	<b>P1,691,900,421</b>	<b>P2,891,152,457</b>	<b>P348,965,791</b>	<b>P4,667,833,501</b>	<b>(P1,308,254,575)</b>	<b>P8,762,839,303</b>

\*Pertains to eliminating entries and other consolidation adjustments.

## 19. Disposal of subsidiaries

Pursuant to the Option Agreement dated October 12, 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 August 12, 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 August 28, 2024, SPNEC and SP Project Holdings executed a Deed of Absolute Sale of Shares dated September 2, 2024, covering SPNEC’s full equity interest in the following entities (“Subject Companies”) for a total consideration of ₱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

Subject Companies’ accounts have been classified in the Group’s consolidated financial statements as at September 30, 2024 as follows:

- a. Balance sheet accounts were deconsolidated.
- b. Income statement accounts for the period January 1 to September 3, 2024 are included in the unaudited interim condensed consolidated statement of income.

### Assets

Cash and cash equivalents	₱9,849,636
Trade 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	324,583,373
Deferred income tax assets	355,594
Other noncurrent assets	14,354,595
	<b>₱602,707,341</b>

### Liabilities

Trade and other payables	₱353,135,004
Due to related parties	106,685,974

### Equity

Remeasurement gain on retirement benefits	1,503,064
	<b>461,324,042</b>

<b>Total Identifiable Net Assets</b>	141,383,299
Add: Reversal of equity reserve	163,147,620
Less: Non-controlling interest	128,639,999
	175,890,920
Consideration paid	79,994,000
<b>Loss on deconsolidation</b>	<b>(P95,896,920)</b>

After the sale to SP Project Holdings, the Group has fully divested its interest in the Subject Companies which resulted in a loss amounting to P95.9 million recognized under “Other income - net” in the unaudited interim condensed consolidated statement of income.

Net cash inflow on the sale is as follows:

Cash consideration	P79,994,000
Less: cash surrendered by the subsidiaries <sup>1</sup>	(9,849,636)
<b>Net cash inflow</b>	<b>P70,144,364</b>

<sup>1</sup>Included in cash flows from investing activities

## 20. Other Matters

### *Exchangeable Note Facility Agreement between MGreen and SP Project Holdings*

On September 2, 2024, MGreen extended a one-year loan to SP Project Holdings amounting to P6,700,000,050, to be repaid at maturity by 5.8 billion SPNEC common shares currently held by SP Project Holdings at maturity. An additional loan of P800.0 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 P1.45; 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 P12,000,000,000.

### *Environmental Compliance Certificate (“ECC”) of Terra Solar*

On May 22, 2024, the DOE issued an ECC to Terra Solar. The ECC covers the maximum 3,500 MW<sub>p</sub> solar power project of Terra Solar located in Brgy. Malibay and Maligaya, San Miguel, Bulacan, Brgys. San Pedro, Rio Chico, Pias and Nazareth, General Trio, Nueva Ecija and Brgys. Callos, Sinasajan B., Penaranda and Makabalkay, Gapan City Nueva Ecija.

### *Terra Solar Project*

On May 27, 2024, the DOE awarded Terra Solar the Solar Energy Operating Contract (“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 Philippine Board of Investments (“BOI”) issued COR No. 2024-230 to Terra Solar in accordance with the Republic Act No. 9513, or the Renewable Energy Act of 2008.

*Contract between Terra Solar, Maxipro Development Corporation and Fuijian Electric Power Engineering Co. Ltd. (collectively referred as “Contractors”)*

On July 31, 2024, Terra Solar executed a Contract for Engineering, Design, Supply, Construction, Testing and Commissioning for the 500kV Transmission Line and Associated Facilities of the Terra Solar Power Plant and BESS Project with the Contractors.

*Contract between Terra Solar and Meralco Industrial Engineering Services Corp. (MIESCOR)*

On August 20, 2024, Terra Solar executed a Contract for Engineering, Design, Supply, Construction, Testing and Commissioning for the Connection Assets for the Terra Solar Project with MIESCOR, an affiliate. The construction is expected to be completed by October 2025.

In 2024, Terra Solar issued Limited Notices to Proceed to MIESCOR to proceed with portions of the scope of Works under the Contract, with the last one issued to allow for mobilization. The payment was presented as part of Refundable deposits under “Other current assets” (see Notes 5 and 11).

*Investment by Actis Rubyred (Singapore) Pte. Ltd. (“Actis”) in Terra Solar*

On September 6, 2024, the BOD of SPNEC approved the acquisition by Actis of a 40% equity stake in Terra Solar.

In accordance with the Share Subscription Agreement executed by the parties on the same date, Terra Solar will issue to Actis shares (common and preferred) (the “Shares”) 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. The Shares shall be issued out of the increase in authorized capital stock, which approval by the SEC is one of the closing conditions for the transaction. Pursuant to the Shareholders’ Agreement, the BOD of Terra Solar shall consist of a maximum of five 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.

*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 September 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.

---

## 21. Events After the Financial Reporting Date

### *Results of the October 9, 2024 Meeting of the BOD*

At its October 9, 2024 meeting, the BOD of Parent Company approved the following, among others:

- Subscription to 6,075,000 common shares and 597,300,000 preferred shares of TSPI resulting from the increase in authorized capital stock (the “Subscribed Shares”) and application of Parent Company’s receivables in the total amount of ₱1,651,392,365.80 (the “Receivables”) as partial payment of the Subscribed Shares;
- Additional subscription to Terra Nueva shares in the amount of ₱2,902,000,000.

SPNEC’s subscription to the Subscribed Shares and the assignment of the Receivables as partial payment of the Subscribed Shares are covered by a Subscription Agreement and a Deed of Assignment of Shareholder Advances, respectively, with both agreements dated October 16, 2024. As of November 13, 2024, Terra Solar is in the process of filing the required documents with the SEC.

### *Early Works (EW) Agreements of Terra Solar with China Energy International Group Co. Ltd. (“China Energy”), GEDI Construction Development Corporation (“GEDI”) and POWERCHINA Philippines Corporation (“POWERCHINA”) (collectively referred as “EW Contractors”)*

In October 2024, Terra Solar and EW Contractors executed EW Agreements to carry out early works related to the construction of the Terra Solar Project in Nueva Ecija for the purpose of achieving the intended commercial operations date of February 26, 2026, as specified in the EPC Contract. On the same execution dates of the EW Agreements, Terra Solar issued a Letter of Notice Proceed to the respective EW Contractors.

## 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 30 September 2024 (with Comparative Audited Figures as of 31 December 2023) and for the Nine-Month Periods Ended 30 September 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 September 30, 2024, compared to the Consolidated Statements of Financial Position as of December 31, 2023

Horizontal and Vertical Analysis of Financial Position September 30, 2024 vs December 31, 2023						
Amounts in ₱0.00	September 30, 2024	December 31, 2023	Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
			Amount	Percentage	September 30, 2024	December 2023
<b>Assets</b>						
Cash and cash equivalents	6,940,138,388	10,040,424,627	(3,100,286,239)	-30.88%	13.65%	19.62%
Trade receivables	177,782,586	286,288,062	(108,505,476)	-37.90%	0.35%	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	143,873,422	126,920,310	16,953,112	13.36%	0.28%	0.25%
Other current assets	524,192,608	744,366,136	(220,173,528)	-29.58%	1.03%	1.45%
<b>TOTAL CURRENT ASSETS</b>	<b>7,787,306,060</b>	<b>11,224,119,104</b>	<b>(3,436,813,044)</b>	<b>-30.62%</b>	<b>15.31%</b>	<b>21.93%</b>
Property, plant and equipment						
At cost	10,262,170,320	10,136,123,220	126,047,100	1.24%	20.18%	19.80%
At Revalued Amount	12,467,340,000	12,467,340,000	-	0.00%	24.51%	24.36%
Deposits for land acquisition	5,649,040,597	3,396,776,396	2,252,264,201	66.31%	11.11%	6.64%
Intangible assets	13,261,891,642	13,261,891,642	-	0.00%	26.08%	25.91%
Goodwill	9,954,384	9,954,384	-	0.00%	0.02%	0.02%
Deferred Tax Asset	9,291,007	9,646,601	(355,594)	-3.69%	0.02%	0.02%
Other noncurrent assets	1,413,215,320	676,962,959	736,252,361	108.76%	2.78%	1.32%
<b>TOTAL NONCURRENT ASSETS</b>	<b>43,072,903,270</b>	<b>39,958,695,202</b>	<b>3,114,208,068</b>	<b>7.79%</b>	<b>84.69%</b>	<b>78.07%</b>
<b>TOTAL ASSETS</b>	<b>50,860,209,330</b>	<b>51,182,814,306</b>	<b>(322,604,976)</b>	<b>-0.63%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Liabilities and Equity</b>						
Trade and other payables	469,789,787	482,626,040	(12,836,253)	-2.66%	0.92%	0.94%
Due to related parties	385,906,234	608,442,826	(222,536,592)	-36.57%	0.76%	1.19%
Current portion of lease liabilities	13,255,926	8,962,861	4,293,065	47.90%	0.03%	0.02%
Current portion of notes payable	347,540,093	366,847,748	(19,307,655)	-5.26%	0.68%	0.72%
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,216,492,040</b>	<b>1,466,879,475</b>	<b>(250,387,435)</b>	<b>-17.07%</b>	<b>2.39%</b>	<b>2.87%</b>
Lease liabilities - net of current portion	370,283,404	381,109,300	(10,825,896)	-2.84%	0.73%	0.74%
Notes payable - net of current portion	2,489,551,481	2,729,695,924	(240,144,443)	-8.80%	4.89%	5.33%
Deferred Tax Liabilities	4,086,521,200	4,086,521,200	-	0.00%	8.03%	7.98%
Other noncurrent liabilities	96,343,004	98,633,404	(2,290,400)	-2.32%	0.19%	0.19%
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>7,042,699,089</b>	<b>7,295,959,828</b>	<b>(253,260,739)</b>	<b>-3.47%</b>	<b>13.85%</b>	<b>14.25%</b>
<b>TOTAL LIABILITIES</b>	<b>8,259,191,129</b>	<b>8,762,839,303</b>	<b>(503,648,174)</b>	<b>-5.75%</b>	<b>16.24%</b>	<b>17.12%</b>
Common stock	5,007,305,000	3,437,305,000	1,570,000,000	45.68%	9.85%	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%	38.92%	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%	1.35%	1.03%
Revaluation Surplus	8,268,091,263	8,268,091,263	-	0.00%	16.26%	16.15%
Retained Earnings	5,414,909,041	5,546,151,067	(131,242,026)	-2.37%	10.65%	10.84%
<b>TOTAL EQUITY</b>	<b>39,367,267,104</b>	<b>39,385,108,907</b>	<b>(17,841,803)</b>	<b>-0.05%</b>	<b>77.40%</b>	<b>76.95%</b>
Non-controlling interest	3,233,751,097	3,034,866,096	198,885,001	6.55%	6.36%	5.93%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>50,860,209,330</b>	<b>51,182,814,306</b>	<b>(322,604,976)</b>	<b>-0.63%</b>	<b>100.00%</b>	<b>100.00%</b>



## General

Pursuant to the Option Agreement dated October 12, 2024, executed by and among SP New Energy Corporation (SPNEC or “Parent Company”), Solar Philippines Power Project Holdings, Inc. (SP Project Holdings) and MGen Renewable Energy, Inc. (MGreen) (as assignee of MERALCO PowerGen Corporation (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 Solar Philippines Calatagan Corporation (SP Calatagan), Solar Philippines Tarlac Corporation (SP Tarlac) and Terra Solar Philippines, Inc. (Terra Solar) (the “Put Option”). On August 12, 2024, the Board of Directors (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 August 28, 2024, SPNEC and SP Project Holdings executed a Deed of Absolute Sale of Shares dated September 2, 2024, covering SPNEC’s full equity interest in the following entities (“Subject Companies”) for a total consideration of ₱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

Subject Companies’ accounts have been classified in the Group’s consolidated financial statements as at September 30, 2024 as follows:

- Balance sheet accounts were deconsolidated.
- Income statement accounts for the period January 1 to September 3, 2024 are included in the unaudited interim condensed consolidated statement of income.

### Assets

Cash and cash equivalents	₱9,849,636
Trade 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	324,583,373
Deferred income tax assets	355,594
Other noncurrent assets	14,354,595
	<hr/>
	₱602,707,341

### Liabilities

Trade and other payables	₱353,135,004
Due to related parties	106,685,974

### Equity

Remeasurement gain on retirement benefits	1,503,064
---	-----------

	461,324,042
<b>Total Identifiable Net Assets</b>	141,383,299
Add: Reversal of equity reserve	163,147,620
Less: Non-controlling interest	128,639,999
	175,890,920
Consideration paid	79,994,000
<b>Loss on deconsolidation</b>	<b>(P95,896,920)</b>

After the sale to SP Project Holdings, the Group has fully divested its interest in the Subject Companies which resulted in a loss amounting to P95.9 million recognized under “Other income - net” in the unaudited interim condensed consolidated statement of income.

Net cash inflow on the sale is as follows:

Cash consideration	P79,994,000
Less: cash surrendered by the subsidiaries	(9,849,636)
<b>Net cash inflow</b>	<b>P70,144,364</b>

### Cash

For the nine-month period ended September 30, 2024, SPNEC and its subsidiaries (“the Group”) have made collections from its customers amounting to P1,010.2 million and earned interest from its various bank accounts and time deposits totaling P299.1 million. During the same period, the Group made loan and interest payments for P364.10 million, lease payments for P26.8 million, paid for additional deposits for land acquisition amounting to P2,252.3 million, incurred project development and construction costs for P1,382.0 million, settled and provided various intercompany advances for an aggregate amount of P193.9 million, paid stock issuance cost amounting to P17.6 million, paid income tax of P3.85 million and incurred various operating expenses for P123.61 million. Further, SPCC has purchased 570 units of replacement of inverters amounting to P93.50 million to increase efficiency of the plant while TSPI has purchased various transportation and office equipment amounting to P19.7 million as it started the setting up of the offices and hiring of manpower requirements necessary to support its project development activities.

### 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 September 30, 2024, mainly pertains to receivable by SPCC from National Transmission Corporation (“Transco”) amounting to P139.8 million, receivable by SPTC from Manila Electric Company (Meralco) amounting to P36.6 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 Solar Philippines Rooftop Corporation (SPRC) which were deconsolidated as of September 30, 2024.

### Due from Related Parties

As of September 30, 2024, the balance of the Parent Company's advances to related parties is ₱48.8 million, while the subsidiaries' balance of advances to related parties amounted to ₱95.1 million.

### Other Current Assets

This account mainly consists of deposit to the TSPI's prospective EPC local contractor amounting to ₱400.0 million which will be offset against the down payment payable upon the signing of the EPC agreement. This also includes net input VAT of ₱43.8 million, prepayments such as insurance, taxes, rent, and trust fees of ₱35.7 million, cash bond deposits of ₱20.3 million, performance bond of ₱15.0 million, and creditable withholding taxes of ₱9.5 million.

As of September 30, 2024, the short-term investments pertaining to the restricted interest-bearing accounts opened and established by SPCC and SPTC in accordance with certain loan and service agreements were reclassified to cash and cash equivalents due to the change of the maturity term of the said short term investments to less than 90 days.

### Property, Plant, and Equipment

#### *At Cost*

Significant movement in this account includes the purchase of SPCC of an additional 570 units of inverters and smart loggers as replacements for old/damaged units amounting to ₱93.5 million, additional costs pertaining to the ongoing construction of the Projects of the Group amounted to ₱631.4 million and purchase of other equipment amounting to ₱19.7 million.

For the nine-month period ended September 30, 2024, the Group recognized depreciation of its various properties and amortization of Right-of-Use assets amounting to ₱301.5 million and ₱7.5 million, respectively. The net decrease in asset including the impact of the deconsolidation amounted to ₱126.0 million.

As of September 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 nine-month period ended September 30, 2024, the Group has incurred costs and made deposits for land acquisition including land-related costs to various landowners amounting to ₱2,252.3 million.

### Other Noncurrent Assets

This account mainly consists long-term receivable by SPCC from Transco related to the FIT adjustments amounting to ₱384.5 million, input VAT of the Group amounting to ₱215.84 million, project related advances to contractors and development costs of Terra Solar with an aggregate amount of ₱746.2 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 September 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 September 30, 2024, amounted to ₱9.9 million which is the difference between fair value of the identifiable net assets and the total consideration.

#### Deferred Tax Asset

This account pertains to the net deferred tax on the recognized ROU Assets and lease liabilities of SPNEC.

#### 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 income payments to various suppliers and contractors for the purchases of goods and services, (iii) retention payable pertains to the amount deducted from payment to contractors for release upon completion of the project or upon expiration of the service warranty, (iv) other liabilities mainly pertain to the current portion of the differential cost of replacement energy charged by Meralco to SPTC and the advances from the customer of SPCC for application to the receivables arising from the sales to the wholesale electricity market.

As of September 30, 2024, the trade and payables consist of accounts payable to the third-party and related party arising from the purchase of goods and services by the Group amounting to ₱206.6 million and ₱138.4 million, respectively, accrued interests for the loan facilities of SPTC and SPCC amounting to ₱82.7 million, accrued expenses and purchases with a total amount of ₱9.0 million, withholding taxes of ₱5.8 million, , retention payable of SPNEC with EPC contractors amounting to ₱13.2 million and other payables of ₱14.1 million. Other payables mainly pertain to advances from customers of ₱14.0 million and statutory and regulatory payables of ₱0.1

#### Due to Related Parties

As of September 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 ₱363.40 million.

#### Lease Liabilities

As of September 30, 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 ₱286.3 million and ₱97.2 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 September 30, 2024 amounting to a total of ₱2,837.0 million, net of deferred financing cost and ₱32.5 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 September 30, 2024 the loan has an outstanding balance of ₱1,086.1 million, net of deferred financing cost of ₱3.4 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 September 30, 2024, the loan has an outstanding balance of ₱1,750.9 million, net of deferred financing cost of ₱29.1million.

### Deferred Tax Liabilities

This pertains to the net tax effect of the recognition of ROU Assets and lease liabilities of SPTC, and fair value measurement of the land of SPTC and SPCC.

### Other Noncurrent Liabilities

This account mainly pertains to the non-current portion of the replacement energy costs payable by SPTC to Meralco of ₱92.3 million. The current portion of this replacement energy amounting to ₱5.5 million was presented as part of the trade and other payables. This also includes accrual of the retirement benefit obligations for the regular employees of SPCC and SPTC amounting to ₱2.0 million and ₱1.3 million, respectively.

### 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.) combined with the impact of the deconsolidation of the balances of the subsidiaries subjected to the exercise of the put option.

#### Non- Controlling Interest ("NCI")

For the nine-month period ended September 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 ₱192.5 million and ₱135.0 million, respectively.

#### Retained Earnings

The Group has gained a net income of ₱196.3 million for the nine-month period ending September 30, 2024.

**Material Changes to the Consolidated Statements of Comprehensive Income for the Nine (9) - months ended September 30, 2024, compared to the Consolidated Statements of Comprehensive Income for the Nine (9) -months ended September 30, 2023.**

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

Horizontal and Vertical Analysis of Comprehensive Income September 30, 2024 vs September 30, 2023						
Amounts in ₱0.00	September 30, 2024 (9 months) (Unaudited)	September 30, 2023 (9 months) (Unaudited)	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		September 2024	September 2023
			Amount	Percentage		
Revenue	985,690,500	333,666,169	652,024,331	195.41%	502.18%	21.29%
Cost of Sales	(395,452,268)	(160,543,158)	(234,909,110)	146.32%	-201.47%	-10.25%
<b>GROSS PROFIT</b>	<b>590,238,232</b>	<b>173,123,011</b>	<b>417,115,221</b>	<b>240.94%</b>	<b>300.71%</b>	<b>11.05%</b>
General and Administrative Expenses	(361,271,309)	(96,804,726)	(264,466,583)	273.20%	-184.06%	-6.18%
Other Income (Expense)	(99,680,221)	23,866,887	(123,547,108)	-517.65%	-50.78%	1.52%
Finance Costs	(203,382,192)	(94,400,746)	(108,981,446)	115.45%	-103.62%	-6.02%
Interest Income	299,064,632	18,907,175	280,157,457	1481.75%	152.36%	1.21%
<b>INCOME BEFORE TAX</b>	<b>224,969,142</b>	<b>24,691,601</b>	<b>200,277,541</b>	<b>811.12%</b>	<b>114.61%</b>	<b>1.58%</b>
Provisions for Income Tax	(28,686,168)	-	(28,686,168)	100.00%	-14.61%	0.00%
<b>NET INCOME AFTER TAX</b>	<b>196,282,974</b>	<b>24,691,601</b>	<b>171,591,373</b>	<b>694.94%</b>	<b>100.00%</b>	<b>1.58%</b>
Other Comprehensive Income	-	1,542,255,053	(1,542,255,053)	-100.00%	0.00%	98.42%
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>196,282,974</b>	<b>1,566,946,654</b>	<b>(1,370,663,680)</b>	<b>-87.47%</b>	<b>100.00%</b>	<b>100.00%</b>

## Revenues

For the nine months period ending September 30, 2024, the Group has recorded a total of ₱985.7 million revenue, mainly contributed by SPCC and SPTC from the sale of electricity. SPRC and Laguna Rooftop Solar Corporation (LRSC) has also contributed to the sale prior to its deconsolidation amounting to ₱8.1 million.

## Cost of Sales

Horizontal and Vertical Analysis of Comprehensive Income September 30, 2024 vs September 30, 2023						
Amounts in ₱0.00	September 30, 2024	September 30, 2023	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		September 2024	September 2023
			Amount	Percentage		
<b>Revenue</b>	<b>985,690,500</b>	<b>333,666,169</b>	<b>652,024,331</b>	<b>195.41%</b>	<b>502.18%</b>	<b>21.29%</b>
Depreciation and amortization	288,124,278	96,191,508	191,932,770	199.53%	146.79%	6.14%
Consumables, parts and repairs	38,812,940	2,765,776	36,047,164	1303.33%	19.77%	0.18%
Insurance	32,315,364	17,114,021	15,201,343	88.82%	16.46%	1.09%
Contracted Services	19,213,669	22,524,979	(3,311,310)	-14.70%	9.79%	1.44%
Rentals	786,750	3,839,974	(3,053,224)	-79.51%	0.40%	0.25%
Others	16,199,267	18,106,900	(1,907,633)	-10.54%	8.25%	1.16%
<b>Cost of Sales</b>	<b>395,452,268</b>	<b>160,543,158</b>	<b>234,909,110</b>	<b>146.32%</b>	<b>201.47%</b>	<b>10.25%</b>

Costs of sale of electricity include expenses incurred that are directly attributable to the generation of revenues from solar energy. For the nine month period ending September 30, 2024, the Group has recorded a total cost of sales of ₱395.5 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 96% of the total Cost of Sales. Other components are salaries and wages, utilities, and others. Significant increase in depreciation was mainly due to the accelerated depreciation pertaining to the replacement of SPCC inverters amounting to ₱66.0.

## General and Administrative Expenses

Horizontal and Vertical Analysis of Comprehensive Income September 30, 2024 vs September 30, 2023						
Amounts in ₱0.00	September 30, 2024	September 30, 2023	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		September 2024	September 2023
			Amount	Percentage		
Contracted Services	83,722,288	22,425,000	61,297,288	273.34%	42.65%	1.43%
Miscellaneous Expense	34,941,274	10,793,958	24,147,316	223.71%	17.80%	0.69%
Taxes and licenses	52,532,656	25,638,579	26,894,077	104.90%	26.76%	1.64%
Professional fees	101,212,518	11,728,677	89,483,841	762.95%	51.56%	0.75%
Salaries and wages	19,219,537	544,848	18,674,689	3427.50%	9.79%	0.03%
Depreciation and amortization	13,411,825	4,052,604	9,359,221	230.94%	6.83%	0.26%
Transportation and Travel	6,415,009	799,981	5,615,028	701.90%	3.27%	0.05%
Utilities	3,859,320	-	3,859,320	100.00%	1.97%	0.00%
Insurance	5,810,259	5,699,507	110,752	1.94%	2.96%	0.36%
Materials	2,057,641	353,633	1,704,008	481.86%	1.05%	0.02%
Employee Benefits'	1,358,701	-	1,358,701	100.00%	0.69%	0.00%
Rentals	346,380	3,348,486	(3,002,106)	-89.66%	0.18%	0.21%
Others	36,383,901	11,419,453	24,964,448	218.61%	18.54%	0.73%
<b>General and Administrative Expenses</b>	<b>361,271,309</b>	<b>96,804,726</b>	<b>264,466,583</b>	<b>273.20%</b>	<b>184.06%</b>	<b>6.18%</b>

### Contracted Services

Contracted services pertain to the fees charged by the shareholder and its affiliate for the support and management services rendered to the subsidiaries' back office operations and project development. For the nine-month period ended September 30, 2024 and 2023, the Group has reported contracted services amounting to ₱83.8 (net of capitalized amount of ₱61.9 million) million and ₱22.4 million, respectively. The increase in the contracted services mainly pertains to the charges from MGreen and Global Business Power Corporation (GBP) for the support services related to the project development of Terra Solar for an aggregate amount of ₱55.9 (net of capitalized amount of ₱61.9 million)

### Miscellaneous Expenses

This account comprised of the bank fees and charges mainly related to the cost of the Stand-by Letter of Credit (SBLC) paid in relation to Terra Solar 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 Terra Solar project and the payment of government share arrears to Department of Energy (DOE) including penalties.

### Professional Fees

These are audit fees, appraisal fees on properties of the Group, directors' fees, legal, and other professional and consultancy services incurred by the Group. Significant increase mainly pertains to the accrual of fees payable to Latham and Wtakins LLP for the professional services rendered in SPNEC.

### Salaries and Wages

This mainly pertains to all salaries and benefits paid to the employees of TSPI, 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 nine-month period ended September 30, 2024, the Group recognized expense related to the depreciation of ROU assets amounting to ₱11.6 million while the balance pertains to the depreciation of other non-plant related assets.

### Transportation and Travel

This mainly 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 to lease liabilities of SPNEC and SPTC.

### Interest Income

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

### 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 nine-month period ended September 30, 2024, the expense mainly pertains to losses on deconsolidation of ₱96.9 million, Realized Forex Loss amounting to ₱4.4 million offset by the proceeds from sale of scrap amounting to ₱0.5 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 nine-month period ended September 30, 2024, the Group has derived a net income of ₱196.3 million.

### Key Performance Indicators

Ratio	Formula	June 2024	December 2023
Current ratio	Dividing total current assets over total current liabilities	6.40	7.65
Acid test ratio	Dividing total current assets less inventory over total current liabilities	6.40	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	0.19	0.21
Asset-to-equity ratio	Dividing total assets over total stockholders' equity	1.19	1.21
Interest rate coverage ratio	Dividing earnings before interest and taxes of one period over interest expense of the same period	2.11	36.70
Net debt-to-equity Ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	-0.10	-0.16
Return on equity (%)	Dividing the net income (annual basis) by total stockholders' equity (average)	0.46%	14.02%
Return on assets (%)	Dividing the net income (annual basis) by the total assets (average)	0.39%	11.62%