

alternergy

We PIONEER. We POWER. We INSPIRE.

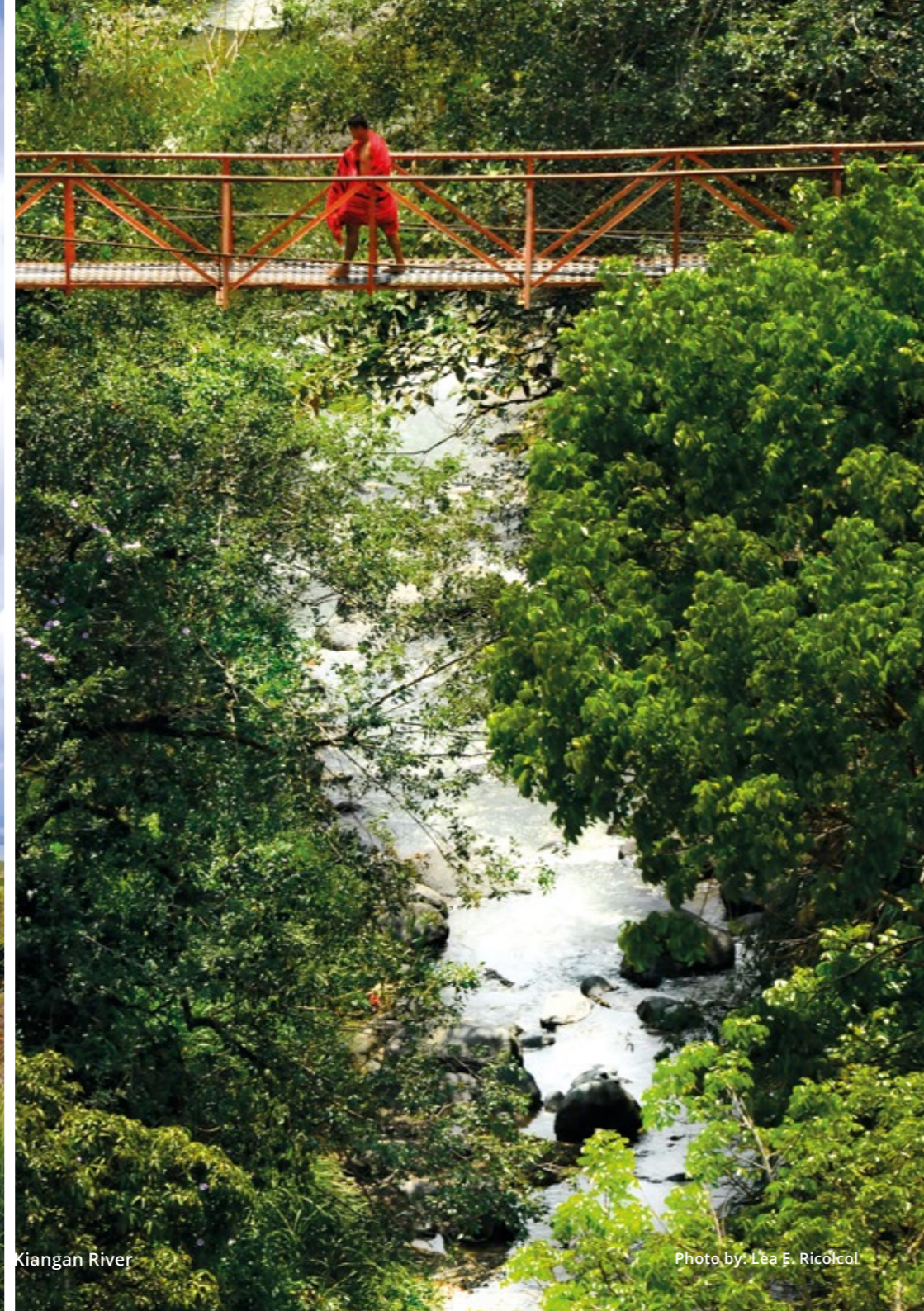


2023 Integrated Report



Pililla Wind Farm

Photo by: Lea E. Ricolcol



Kiangang River

Photo by: Lea E. Ricolcol



The first and largest Solar PV + Battery Energy Storage System Project in Palau and Western Pacific Region

Contents

1 Company Overview		6 Our Approach to Sustainability	
About Alternergy	5	Sustainability Framework: Our	
Vision, Mission, Values	7	Quadruple Bottom Line Philosophy	51
Three P's of Alternergy	12	Our Value Creation Model	54
		Climate Change Risks	56
2 2023 At a Glance		Approach to Stakeholder Engagement	58
Business Highlights	19	Our Contribution to the UN SDGs	59
Sustainability Highlights	20		
Geographic Presence	21	7 Corporate Governance	
		Board of Directors	63
3 Message from the Chairman	22	Advisers to the Board	66
		Management Team	68
4 President's Report	24	Board Composition	70
		The Sustainability Committee	71
5 Business Performance		8 Financial Statements	
Triple Play Investment Strategy	26	Statement of Management's	
Pioneering the Green		Responsibility for Consolidated	
Energy Transition	27	Financial Statements	77
Renewable Projects under		Consolidated Statements	
GEA 2 Program	28	of Financial Position	78
Progress Against our Strategy	30	Consolidated Statements	
Continuous Growth in Solar Energy	36	of Comprehensive Income	80
Empowering Tomorrow		Consolidated Statements	
with Hydropower	43	of Changes in Equity	82
Alternergy's Next Phase of		Consolidated Statements	
Growth: IPO	47	of Cash Flows	84
Alternergy and GSIS: Partners		9 Corporate Information	87
to Nation Building	49		

The paper used in the printing of the limited copies of the Alternergy 2023 Integrated Report comes from sustainable resource.



Hungduan River

About the Theme

We **PIONEER**. We **POWER**. We **INSPIRE**.

Our identity is anchored on our purpose of pioneering, powering, and inspiring change. These are not just corporate slogans but the essence of who we are and what we strive for. At the core of Alternergy's identity lies the spirit of pioneering. We are trailblazers, fueled by an unwavering passion for venturing into uncharted territories, unlocking new market potential, and propelling innovative technologies forward. Pioneering is not just a term; it is our DNA.

Our mission has taken us to harness renewable energy sources and power change. The heart of Alternergy beats to the rhythm of growth, progress, and development through renewable energy. We believe in the transformative power of clean energy. By harnessing energy resources, we are lighting the path for communities, industries, and entire nations to flourish.

We are driven to inspire. It is in the way we live and breathe our mission. Every aspect of Alternergy, from our corporate culture to our individual journeys, serves as a source of vision, hope, creativity, and innovation. We understand that our actions resonate far beyond the confines of our projects and boardrooms. We inspire by setting an example, by demonstrating that a cleaner, more sustainable world is not just an ideal but an achievable reality. The projects we undertake, the technologies we pioneer, and the relationships we build are all guided by this commitment to inspire those around us.

About Alternergy

Alternergy is a Philippine pioneer in renewable energy. As a company of 'firsts', we have a well-defined and committed strategic focus on renewable power generation that paved the way for future renewable growth in the country.

From our first service contract for wind projects from the Department of Energy in 2008, we have grown to become a major player in altering the renewable landscape in the Philippines. We have a proven track record of developing, building, and operating groundbreaking power projects that harness energy from our wind, run-of-river hydro power projects, and solar businesses to create a more sustainable future for the next generation.

We take a Quadruple Bottom Line approach that prioritizes profitability, carbon reduction, employee fulfillment, and host community benefits. We established supply contracts through bilateral partnerships with distribution utilities or private customers and offtake agreements with the government, making our projects attractive and financially viable. Our diversified renewable energy portfolio allowed us to have a mix of complementary power generation revenues. Our competitive strengths result in our success in project development and execution, and ability to acquire new opportunities for growth in the Philippines and the Pacific Islands.

Focused on our mission of developing power projects throughout the country from renewable sources, we empower our employees and grow our partnerships to deliver long-term value for our shareholders.



Kirahon Solar Farm Inauguration



Our VISION

We strive to be a pioneering renewable power company in the Philippines.



Our MISSION

Our mission is to develop power projects throughout the country from renewable energy resources.



Our VALUES

In harnessing clean energy, we aim to alter the lives of our host communities.

Alternergy's balance sheet includes more than just finances. We use four measures to benchmark our success.

Quadruple Bottom Line Philosophy



PROFITABILITY
Alternergy determines profitability based on annual cash flow, which comes from the sale of generated power to offtakers.



CARBON REDUCTION
We measure the annual tons of carbon dioxide emissions displaced and avoided by the clean power generated from our projects. Alternergy also supports NGOs that educate the public on the impact of climate change.

In June 2022, we committed to strictly focus on renewable power and not invest in fossil fuel generation such as coal, fuel oil, natural gas, nuclear power.



COMMUNITY BENEFITS
Alternergy strives to be a partner to the host communities of our projects. Our community benefit programs focus on activities that make a positive impact on the environment, livelihoods, health, and education of local people.



EMPLOYEE FULFILLMENT
Alternergy's family-like corporate culture nurtures and supports its team members, who are the company's biggest asset, with health and medical benefits, training, and plenty of moments for recognition and celebration.

Solar Pacific CitySun Rooftop Project in Tagum: One of the multi-site commercial rooftop projects across the country

Our Values



1) LOVE FOR THE ENVIRONMENT

We are committed to doing business that is good for the planet. We are bound by our common love for the environment and our compassion for our host communities.

We use the best technology to make sure our work helps preserve the only planet we know. Before we start any project, we get advice from experts on nature to make sure what we build will not harm the environment.

We celebrate the amount of carbon dioxide emissions displaced by our projects. We help teach the public about climate change.

We want to be a **good partner to the communities where we work.** We consult with the local people to understand how we can bring a positive impact on their environment, livelihood, health and education. We address any concerns because we believe our host communities should be part of our success. We deeply care about the Earth and **aim to create a sustainable future for the next generation.**



2) ACT WITH INTEGRITY

We believe that nothing is more important than our reputation and behaving with integrity is a big part of who we are. As a group, **integrity is our most valuable asset** and is the foundation for everything we do. People admire us because we are honest and fair with our partners, stakeholders, shareholders and fellow colleagues. We believe in being clear and honest in our business practices, which leads to more business in the future. **We say what we mean, match our behaviors to our words, and take responsibility for our actions.** We deliver on our promises. We do the right thing even when no one is watching.



3) BE ACCOUNTABLE FOR DECISIONS, ACTIONS, AND RESULTS

We are fully accountable for what we do or do not do. We take personal responsibility by knowing our duties and committing to do our part. **We value hard work, dedication, loyalty, and commitment.** We finish all the tasks expected of us. **We are dependable, reliable, and we go above and beyond to make things happen.** We value teamwork and we work well with our colleagues. Our work quality is good and consistent. **We are proud of our work as a reflection of our pursuit of excellence.**



4) DETERMINATION

Developing our renewable energy projects involves a lot of tough work, from originating, designing, permitting, financing to constructing. **We are determined to deliver these projects better, faster, and within budget.** Even when things get tough, we don't back down. We have seen that persistence leads to positive things happening. We are not afraid of challenging projects—in fact, **we thrive on taking on hard projects.** We constantly push ourselves to do our best, **we look for solutions to every challenge, and we don't give up.** Every day we come to work excited to make an impact through our determination and passion.



5) RESPECT UNDERPINS EVERYTHING WE DO

In our workplace, we treat each other with respect. We listen to opinions and new ideas, even if they are different from our own. Our leaders encourage healthy discussions. It does not matter if someone is new or young or junior, everyone can speak up and be heard. We can freely share with our leaders any concerns bothering us. Because we respect everyone, we don't like people who are not team players, or hide their true intentions or behave insincerely.

We respect our business partners, lenders, and investors. We know they can choose any company but they chose us because they trust us to deliver the best outcome for their involvement. We work hard to keep that trust by doing what we promised. Among our suppliers, we talk openly and share as much information that is available so we can all work on terms that are fair to all sides.

We create a culture of respect by nurturing our team members. We provide them with health and medical benefits, training, and opportunities for recognition.

We respect our families too. They can come and see what we do, what we build, and what we believe in. We even have special days for families. We understand when our colleagues have urgent or important family things to take care of.



6) ENTHUSIASM FOR LEARNING

In everything we do, **we try to learn and use the latest and best technology** to advance our projects. As pioneers, we are not afraid in developing new forms of renewable projects. We are a group of skilled, enthusiastic, and curious people who are always **willing to learn**, who want to excel at what we do, both on our own and as a team.



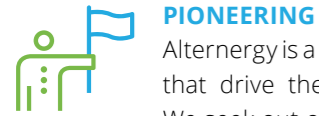
7) TEAMWORK

We are part of a bigger team and each one has a role. Teamwork fosters cooperation to share the right information to help us work well together and meet deadlines. When work is divided up among team members, it gets done faster and our overall business operates more efficiently. Those of us who are good at getting things done quickly can help others. If one person struggles, someone else can help. **Being a good team player means focusing on what is best for the company's success**, not just on our own personal tasks to do.



Site of the Alabat Wind Project: Facing the northeast monsoon winds of the Pacific Ocean

Three P's of Alternergy



PIONEERING

Alternergy is a company of 'firsts', driven to establish new precedents that drive the development of clean energy in the Philippines. We seek out opportunities to tread new paths that lead to positive long-term change for the industry.

Alternergy's history includes an extensive list of 'firsts. Select examples include:



Bangui Bay, a 33MW commercial wind farm in North Luzon developed in 2015. As part of NorthWind, several of Alternergy's founding partners were involved in the development of Bangui Bay. After the project's completion, these partners – Vicente Pérez Jr., Knud Hedeager, and Gerry Magbanua – came together to create Alternergy, applying what they learned at Bangui Bay to break new ground on more renewable power projects.



Awarded some of the first contracts from the Department of Energy for wind power. Alternergy received its first DOE service contract in 2008, allowing us to start conducting wind resource assessment studies in six potential sites. At the time, wind power was considered a new technology in the country, and the permitting process wasn't as clear-cut as it is today. Through Alternergy's early engagement in educating local governments and government agencies, we created precedents for an efficient permitting process.



First non-recourse project financing for wind and solar projects with local banks. For the Pililla wind farm and Kirahon solar farm, Alternergy worked exclusively with local banks to achieve the financing it needed for the projects in 2014. We dedicate extensive time and resources to educating and working alongside local banking institutions to design financing solutions that work for all stakeholders.



First multi-site solar rooftop portfolio under one project financing facility: For Solar Pacific CitySun Corporation, a commercial bank extended financing for eight commercial mall solar rooftops under a single facility.



First and largest battery energy storage in western Pacific. Alternergy is developing the first solar PV and battery energy storage hybrid project in the Republic of Palau, the largest solar hybrid project in the western Pacific.



First floating solar pilot project was developed over Laguna Lake by one of Alternergy's senior management team.



PROVEN

Across Alternergy's portfolio of projects, we demonstrate proven capability to deliver in a well-planned and cost-effective way. From securing power supply agreements with local utilities and private commercial customers, to working effectively with permitting agencies, we have shown creativity and resilience on the way to achieving our goals.

Alternergy takes pride in its ability to meet even the most ambitious of construction deadlines – prudently setting aside contingencies in plant construction, handling importation and transport logistics of equipment, and reliably managing sites once they are in operation – all while adhering to health, safety and environment protection best practices.



PARTNERSHIPS

We see our work through the lens of partnerships. We find the people and organizations who will complement our efforts and support our vision to make the Philippines a leader in clean energy. Communities, government agencies, lenders, co-investors, corporates, and local utilities come together to build projects that will impact the country's energy future.

We seek out opportunities to tread new paths that lead to a positive long-term change for the industry and nation.



Kirahon Solar Farm: First Bilateral Solar PSA Approved by the ERC in 2014

Milestones

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

2005



June 2005
The 25 MW Bangui Bay wind farm—the first wind farm in Southeast Asia—started commercial operation. Four of Bangui Bay's project partners later came together to form Alternergy

June 2008
8 MW Phase II of Bangui Bay went into commercial operation

August 2008
Alternergy established

December 2008
Alternergy awarded three wind Pre-Commercial Contracts by the Department of Energy to explore wind resources in Rizal, Laguna, and Mindoro

August 2009
Partnership with Eurus Energy of Japan and Korea East West Power to co-develop wind portfolio



October 2009
Alternergy awarded three additional Wind Energy Service Contracts, making Alternergy the most active wind developer in the Philippines

March 2011
Alternergy partners divested their 50% stake in Bangui Bay wind farm

October 2011
After Fukushima earthquake, Eurus Energy bought out by Alternergy

December 2011
Alternergy received its first bank loan

SOLAR PACIFIC

January 2013
Solar Pacific set up to bring solar power to off-grid islands

January 2013
Alternergy expanded into mini hydro development

February 2013
Alternergy Mini Hydro signed joint development agreement for Dupinga mini hydro project



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

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

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

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

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



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



April 2016
Partnership with Markham Resources for Dupinga hydro project

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

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



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

June 2018
Partnership with Vena Energy for Sembrano wind project

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

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

February 2019
Kiangan Mini Hydro Project obtained ECC from DENR



February 2019
Dupinga Mini Hydro Project secured Amended ECC from DENR

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



April 2007
Former Energy Minister Vicente Pérez Jr. invested in Bangui Bay wind farm

December 2008
Renewable Energy Act comes into law, aimed at accelerating the development of renewable energy by increasing renewable energy-based installed capacity from 5,438 MW in 2010 to about 15,304 MW by 2030



October 2010
Asian Development Bank and the Government of Japan funded feasibility grants for Alternergy wind projects

December 2010
1.8 MW SBMHC mini hydro plant started commercial operation

September 2013
Alternergy Mini Hydro acquired development rights for 7 mini hydro projects from Enerhighlands

November 2013
Solar Pacific signed first bilateral solar contract with CEPALCO

December 2014
Solar Pacific formed joint venture with Mindanao Energy Systems

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



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

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

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

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



June 2019
Dupinga Mini Hydro Project obtained DOE Amended Confirmation of Commerciality

August 2019
Dupinga Mini Hydro Project signed PHP660 million project financing with DBP

September 2019
Solar Pacific acquired Solana Solar Alpha Inc.'s project in Hermosa, Bataan

January 2020
Dupinga Mini Hydro Project signed contracts with UHBP, AIP Construction, and Gugler of Austria

May 2020
Solar Pacific selected First Ranked Bidder after competitive bidding with Palau Public Utilities Corporation, Alternergy's first project outside the Philippines



June 2020
Energy Regulatory Commission issued Retail Electricity Supplier (RES) license for GESSI

September 2020
Solar Pacific signed Term Sheet for project financing with Australia Infrastructure Financing Facility for the Pacific (AIFFP)



April 2021
Solar Pacific signed PPA with Palau Public Utilities Corporation for its Palau Solar and Battery Storage Project

April 2021
Renova Renewables of Japan and Sta. Clara International signed Investment agreement for Kiangon Mini Hydro project



July 2021
Solar Pacific CitySun received Certificates of Confirmation of Commerciality for three additional mall solar rooftops in Negros

July 2021
China Bank extended medium term facility to Alternergy Holdings

December 2019
Alternergy Tanay Wind Corporation awarded Wind Service Contract for Alabat Island in Quezon Province

June 2020
Groundbreaking of Dupinga Mini Hydro Project in Gabaldon, Nueva Ecija



October 2020
Lamut-Asipulo Mini Hydro Project obtained ECC from DENR

December 2020
Land for Solana Solar Alpha project acquired by Solar Pacific

August 2021
National Commission on Indigenous Peoples approved MOA with Indigenous Peoples of Asipulo and Lamut for Lamut-Asipulo Mini Hydro project

December 2021
In Palau, Australia Trade Minister Marise Payne announced funding for Solar Pacific Pristine Power

January 2022
Solana Solar Alpha signed 10 MWac PSA with Peninsula Electric Cooperative

February 2022
Nueva Ecija Electric Cooperative Area 2 signed 4.6 MW PSA with Dupinga Mini Hydro Corporation

March 2022
Exeter Portofino signed Investment Agreement with Lamut-Asipulo Mini Hydro Corporation



April 2022
Solar Pacific Pristine Power Inc. reached financial close with Export Finance Australia and DFAT for its Palau Solar Battery Project

June 2022
DBP approved PHP1 billion loan facility for Lamut-Asipulo hydro project

June 2022
Alternergy acquired majority ownership of Kirahon Solar Energy Corporation

August 2022
DOE extended pre-development period for Tanay Wind Project

August 2022
Alternergy increased ownership in Solar Pacific

September 2022
Alternergy's 4.6 MW Dupinga Mini Hydro Project secured power supply deal with Nueva Ecija Electric Cooperative II-Area 2

October 2022
Installed 10th meteorological mast on Alabat island in Quezon province to harness the northeast monsoon through its wind power project



November 2022
Alternergy via its subsidiary, Alternergy Wind Holdings Corporation (formerly PACO) and Shell Overseas Investment B.V. sealed partnership for offshore wind farm development for the Tablas Straits

November 2022
Alternergy and Exeter Portofino Holdings partnered for the development of the Lamut-Asipulo hydro power project; both partners share the same commitment to sustainability and local communities, improvement of cultural and preservation of the Ifugao Heritage Sites

September 2022
Joint venture in offshore wind with Shell Overseas Investments



February 2023
Alternergy Wind Holdings Corporation (formerly PACO) bagged three additional wind service contracts from the Department of Energy for the Tablas Strait Offshore Wind Project

March 2023
Alternergy debuted at the Philippine Stock Exchange raising PHP1.6 billion from its initial public offering—it is the first IPO for the year



June 2023
Solar Pacific Energy Corporation appointed DNV, a Norwegian construction company, as its Owners Engineer for the 15.3 MW solar power and 12.9 MWh battery in its solar project in Palau in Western Pacific

June 2023
SPEC launched the Republic of Palau's first solar and battery energy storage (BESS) project in Ngatpang state on Babeldoab Island—The largest of its kind in the Western Pacific region and one of the most significant foreign direct investments in the island nation with a total project cost of USD29 million



July 2023
Alternergy won all three RE projects with 208 MW gross installed capacity which it bid at the Green Energy Auction 2 initiated by the DOE

August 2023
In commemoration of its 15 years in the RE business, Alternergy organized a team-building activity to create a stronger and more cohesive unit who will work efficiently and harmoniously towards a common goal



November 2023
State-run pension fund GSIS subscribed to Php1.45billion Alternergy Perpetual Preferred Shares under a private placement, a testament of common goal and shared value of sustainable investment



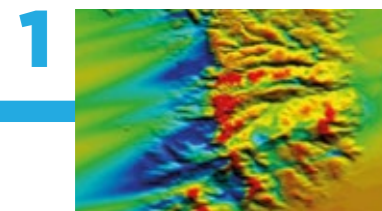
July 2023
Solana Solar Alpha, Inc. cemented power supply agreement with Kratos RES, a subsidiary of Prime Asset Ventures, Inc. (PAVI) of the Villar Group



Alternergy's Renewable Development Timeline

1 Pre-Development

- Renewable Resource Assessment
- Micro-siting
- Land Survey
- Environmental Study
- Community Consultation
- Geotechnical Study
- Grid Study
- Permits
- Contractor Selection
- Project Financing



From the pre-development stage, Alternergy conducts a comprehensive feasibility study to determine a project's commercial viability. Our multidisciplinary team—composed of engineers, lawyers, project managers, community relations officers, regulatory compliance professionals, and financial analysts—come together to determine whether the project moves on to the next phase. Also, in the Environmental Study, we plan on how to mitigate any impact on biodiversity and animal life in the project location.

Right of way (ROW) issues are common challenges in any development project. The Company has handled ROW issues by either avoiding the property in question or negotiating an alternative ROW. To mitigate the risk of not securing the remaining ROW, the Company is in constant communication with relevant local government units for the transmission line ROW. In parallel, the Company conducts due diligence on the properties involved by verifying information with relevant government agencies, thereby ensuring the viability of all land under negotiation. In case of difficulty in securing these permits, the Company can tap the DOE for assistance.

2 Financial Close

- Creation of Term Sheets
- Negotiations with Prospective Investors and/or Lenders
- Due Diligence
- Signing of Contracts and Agreements
- Initial Drawdowns



Prior to Financial Close, we require Supplier Environmental Assessment and Supplier Social Assessment during the bidding process of EPCs. We require our prospective EPCs to adhere to the HSE Policies (Health, Safety, and Environment Policies). They also need to be ISO certified EPCs for them to be eligible bidders. Alternergy then meets with prospective lenders or equity investors, creates functional financial models, crafts term sheets for negotiations, and then goes into signing once terms have been agreed on. Financial close ensues when all financing and other agreements related to the Project have been executed and delivered and all conditions to the effectiveness of project financing agreements have been satisfied.

3 Construction

- Detailed Design
- Civil Works
- Equipment Supply
- Transmission
- Line Substation



Alternergy obtains a Declaration of Commerciality, which allows us to commercialize a viable project site over 25 years. Now, we are poised to take the project into the construction phase, where we work closely with our carefully selected third-party contractors and technical consultants.

4 Operation

- High Plant Availability
- Minimize Unplanned Shutdown
- Optimize Generation
- CSR Activities



Once the project is successfully constructed, Alternergy provides operational and maintenance management to ensure high plant availability, minimize unplanned shutdown and maintain optimal electricity generation. We continue to provide benefits to host communities through our community benefit program, which is focused on livelihoods, health, education, and the environment.

AT A GLANCE

Our Progress and Highlights

Data as of end June 2023

FINANCIAL HIGHLIGHTS

NET INCOME

PHP **38.0** million

STOCKHOLDERS' EQUITY

PHP **2.7** billion

TOTAL ASSETS

PHP **4.9** billion

EBITDA

PHP **180** million

BUSINESS HIGHLIGHTS

Renewable Energy pioneer since 2008

Ongoing Investments

OPERATING ASSETS

11

TOTAL CAPACITY OF OPERATING ASSETS

86 MW

PROJECTS UNDER CONSTRUCTION

3

TOTAL CAPACITY OF PROJECTS UNDER CONSTRUCTION

50 MW

PROJECTS UNDER PRE-DEVELOPMENT STAGE

4

TOTAL CAPACITY IN PRE-DEVELOPMENT IN THE NEXT THREE YEARS

338 MW

TOTAL CAPACITY IN THE NEXT THREE YEARS

474 MW

Sustainability Highlights



Communities



74,730

Equivalent households energized every year

41

Number of villages hosting Alternergy's project sites

358,000

Number of people who visit Alternergy's visitor centers annually

Employees



55

Total Number of Employees

44% Female **56%** Male



Gender Ratio of Team Members

Environment



100,444

Tons of carbon emission reduced per year, equivalent to 4,566 less jeepneys on the road



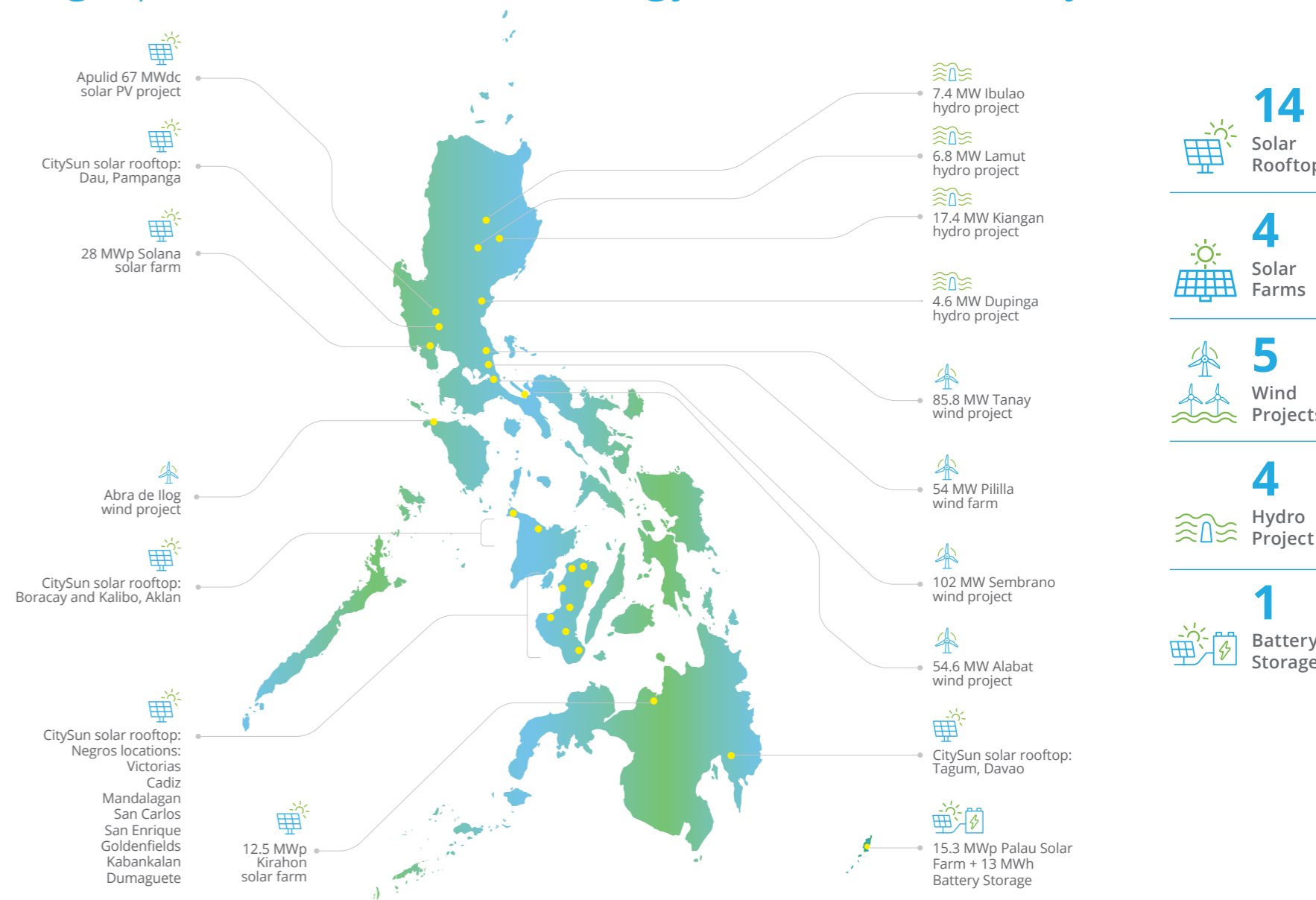
151,500

Trees planted to date

2023 Economic Value (in PHP)

Direct Economic Value Generated (Revenue)	246,263,889
Direct Economic Value Distributed	
a. Operating Cost	92,621,363
b. Employee Wages & Benefits	7,663,197
c. Dividends given to stockholders and interest payments to loan providers	88,019,114
d. Taxes paid to government	4,961,997
e. Investments to community (e.g. donations, CSR)	5,508,318
Economic Value Distributed	198,773,989
Economic Value Retained	47,489,900

Geographic Presence: Alternergy's Renewable Projects





VICENTE S. PÉREZ, JR.
 Founder and Chairman
 Alternergy Holdings Corporation

“We have set three strategic priorities for the group to fuel our growth and ensure profitability. First, accelerate our Triple Play Project Pipeline implementation; second, level up our corporate governance and sustainability goals; and third, future proof the company by attracting fresh talent to complement our existing cohesive team.”

MESSAGE FROM THE CHAIRMAN

Dear Stakeholders,

This year was a remarkable year for Alternergy. We have reached greater heights for Alternergy, and we continue to sustain our growth momentum built on the past year's successes of the group. In particular, we successfully listed on the Philippine Stock Exchange (PSE) on March 24, 2023 after thorough review by the Securities Exchange Commission and the PSE. We celebrated our 15th year and won three out of three projects under the Department of Energy's Green Energy Auction (GEA) Program.

Central to these milestones are our people and their efforts to achieve

success, and the trust of our shareholders and their confidence in our strategy and our plans for growth. We take this opportunity to express gratitude to our cohesive team who worked hard in meeting the stringent regulatory standards of becoming a publicly listed company in terms of transparency, governance, and disclosure. The members of the senior management team come from an extensive experience with listed organizations, and a few have been personally involved in the past with the rigorous listing process, so we all knew what is expected of the company in launching our maiden public listing.

Our focus to strictly invest in renewable energy is anchored on our investment strategy and on quadruple bottom line philosophy in doing business. We place equal importance on people and our planet while we look at ensuring financial profitability. This has led us to further expand our renewable projects and implement effective execution. We anticipate that the new investments including projects

under the GEA Program and our ongoing investments will contribute positive impact to the group. There will be challenges but we are excited and ready to proceed with the renewable projects that will boost economic activities, generate profitability, and create jobs for our host communities.

With sustainability at our core, we issued our 2nd Sustainability Report (SR) and our first SR as a publicly listed company. Guided by our purpose, we strengthened our sustainability agenda and established our Sustainability Committee with oversight on the operationalization and implementation of key decisions related to environment, social, and governance (ESG) areas of our renewable projects. The committee is comprised of a Sustainability Chairman, Chief Sustainability Officer as vice chair, three Project managers from our core businesses: hydro, solar, and wind; and seven sustainability champions from various functions: Human Resources, Treasury, Administration, and Investment Relations.



We have set three strategic priorities for the group to fuel our growth and ensure profitability. First, accelerate our Triple Play Project Pipeline implementation; second, level up our corporate governance and sustainability goals; and third, future proof the company by attracting fresh talent to complement our existing cohesive team.

As a publicly listed company with more than 3,000 shareholders, we

commit to deliver medium term shareholder value by developing well-designed renewable projects, to be financed by innovative capital raising exercises, that will generate consistent cash flow for our lenders and shareholders. We thank our shareholders for their support and confidence in Alternergy, and our colleagues, whom we are proud of – they are instrumental in achieving the successes of the group. Beyond renewable energy generation,

we prioritize partnerships with communities, respect indigenous rights, and uphold environmental standards. As we look ahead, we're committed to further innovation, technology, and collaboration for a sustainable future.

Vicente S. Pérez, Jr.
Vicente S. Pérez, Jr.
 Chairman

PRESIDENT'S REPORT

Dear Stakeholders,

It was a year of heightened uncertainties, prolonged economic slowdown, and market pessimism. Despite these, the Alternergy Group, driven by our pioneering spirit, boldly stepped forward to face these challenges.

We pioneer

And thus, we are delighted to report for this inaugural Integrated Report as a publicly listed company, that we wrapped up our fiscal year 2023 on a positive note. We are the first company to go public in 2023. Our IPO will pave the way for the restructuring of the Group to create a more robust and effective organization that would better address our Quadruple Bottom line philosophy. We are committed that in the pursuit for financial profitability and stability, utmost priority is given to climate mitigation and that the welfare of our employees and the communities in which we are embedded are enriched.

Our financial performance for the year and the progress from the project development initiatives so far

achieved are encouraging. The Group posted a net income for the fiscal year ended June 2023 as we recovered from a net loss for the 6-month period ended June 2022. Our cash increased by 110 percent to Php 1.2 billion boosted by the proceeds from the IPO as our consolidated assets rose to Php 4.9 billion. Key performance indicators all improved significantly, with total equity growing by 132 percent to Php 2.72 billion and a healthy debt-to-equity ratio of 1.38x to 0.66x and EBITDA of Php 180 million, a surge from Php 9.5 million for the six-month period June 2022.

In terms of project development, our market expanded. We signed long-term bilateral supply agreements for our solar and run-of-river hydropower projects. We also entered the international landscape with the completion of our solar PV + battery energy storage system (BESS) project, the first in the Republic of Palau and the largest to date in the Western Pacific region. This project makes it one of the most significant foreign direct investments in the island

nation, and it would meet more than 20 percent of Palau's energy needs. We also entered the offshore wind industry as we partner with Shell Overseas to explore the vast offshore wind potential in the country. We bid and won all the three projects under the Green Energy Auction 2 (GEA) of the Department of Energy.

We power

For the next three years, Alternergy will enter the next phase of growth momentum and help power the country's progress with sustainable energy. We will be in full-swing construction for our wind and solar projects and at the same time completing the construction of our run-of-river hydro projects. We have up to 164 MW of new wind capacity to construct and put online by 2025. Two of our solar portfolio, Solana and Apulid solar projects, with a combined capacity of up to 96MWdc/70MWac, will also begin construction in 2024.

These projects would need massive capital infusion. Alternergy will actively pursue fund raising initiatives



GERRY P. MAGBANUA
President
Alternergy Holdings Corporation

“The renewable energy market is growing fast, and we are determined to capture a bigger slice of this market.”

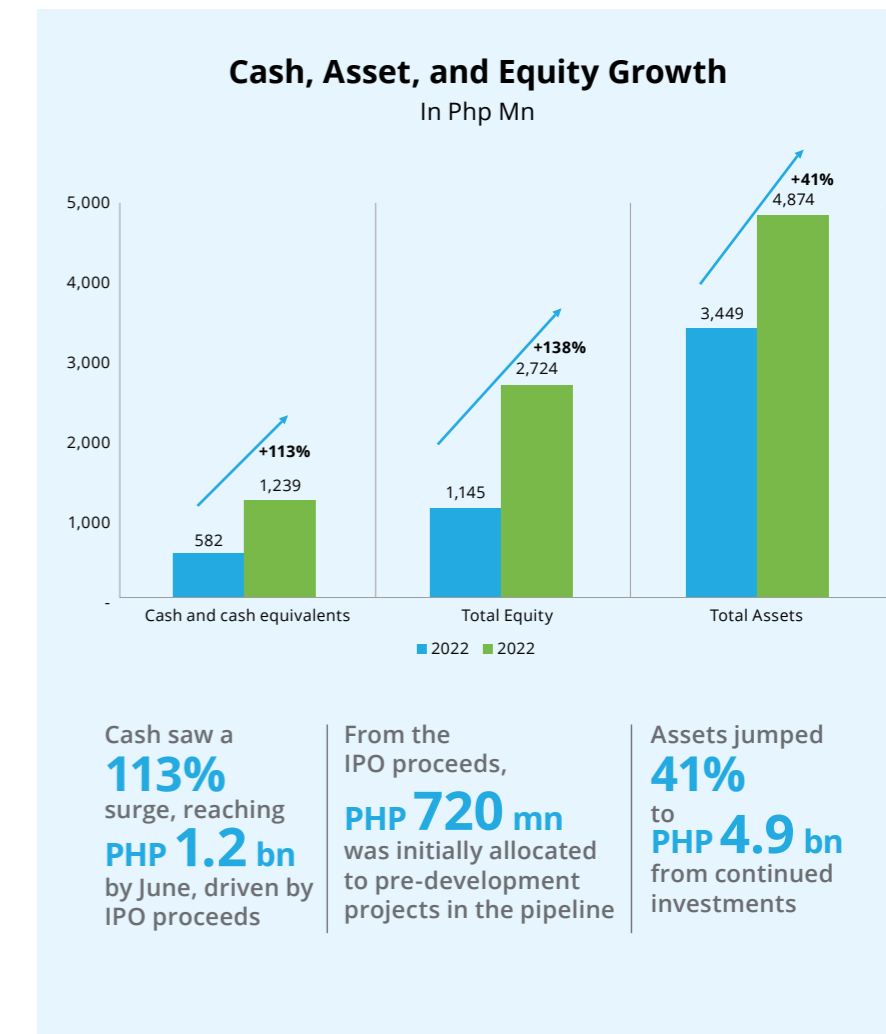
in the coming months, in the form of perpetual preferred shares and corporate notes to support our growth trajectory. We have built a strong collaboration with the financing institutions and came up with innovative funding solutions. We are emboldened by their trust, and we are confident we can secure financing for these projects within the set timeline to move forward with construction.

While we are building these projects, we will look for more business opportunities that will contribute to significant cash flow and accelerate our Group's goal of achieving 1,139 GWh of annual generation of renewable power. The renewable energy market is growing fast, and we are determined to capture a bigger slice of this market. We are organized to deliver on our investment strategy and pursue our growth path.

We inspire

As we roll out our portfolio of projects, we affirm our commitment not just to our shareholders but also our many stakeholders, the government, our employees, our host communities, the environment and the public. We are mindful that every action, whether it is about the selection of the most responsive and competitive supplier or about the number of trees to be cut, our action should demonstrate the highest standard of governance as an anchor to inspire the next generation.


Gerry P. Magbanua
President

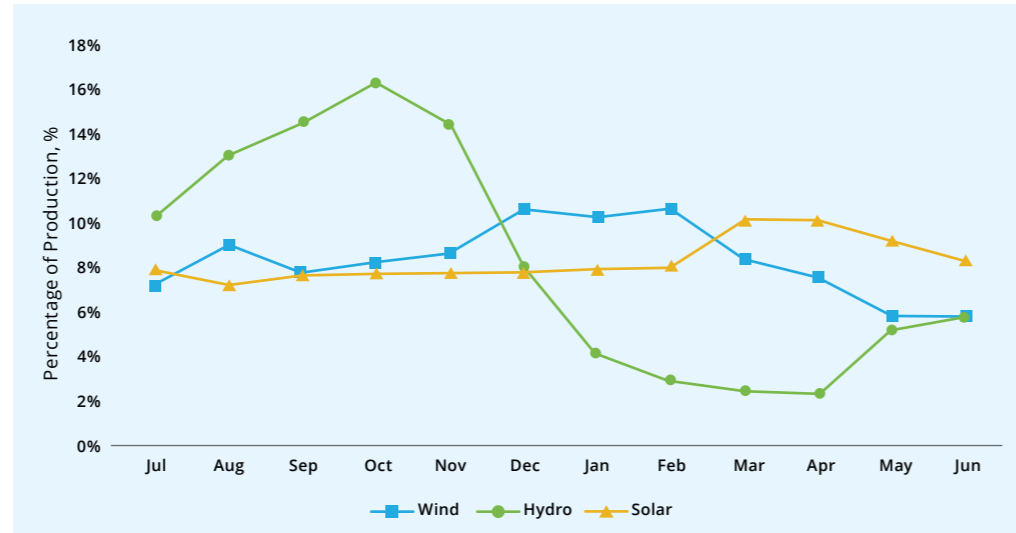


STRATEGY AND TECHNOLOGIES

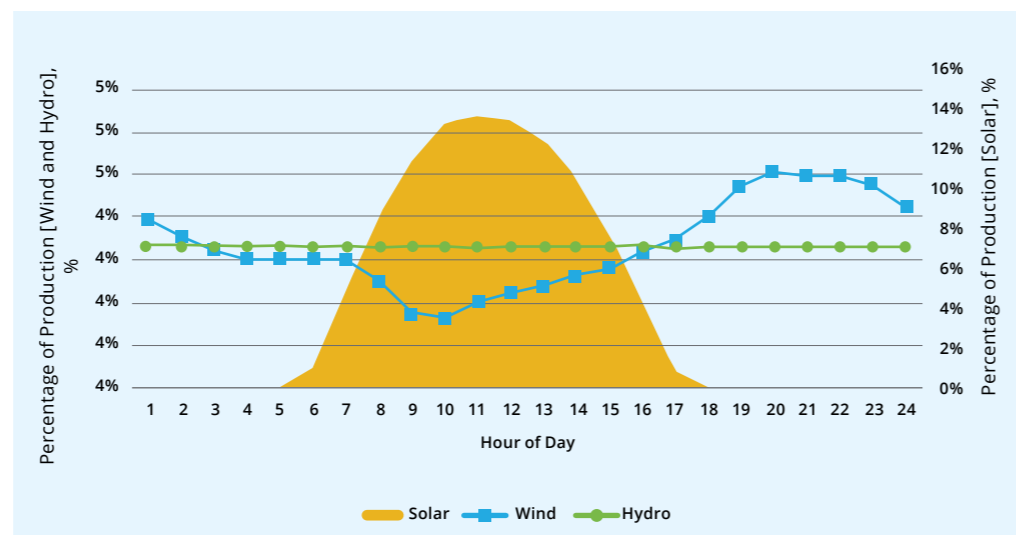
Triple Play Investment Strategy

Our diversified Triple Play Investment Strategy on three technologies: solar, wind, run-of-river hydro and battery storage plants, allows a diversified mix of complementary seasonal generation of renewable energy portfolio of Alternergy. The seasonality of solar, wind, and hydro power energy resources, produce a steady cash flow for the Company. In addition, Triple Play can provide a 24-hour clean energy supply to green option customers. The diversified sources enable Alternergy to execute the best scheme to harness steady production of energy capacity and what nature has to offer in this part of the world.

Complementary seasonal generation of Alternergy's "Triple Play" Renewable Portfolio



Comparison of Solar, Wind, Hydro Resources' Daily Production



BUSINESS PERFORMANCE

Pioneering the Green Energy Transition

At Alternergy, we are dedicated to driving the shift towards sustainable energy solutions through our wind, solar, and hydro projects. Our commitment has led to significant achievements in clean energy since 2008 when we were organized as a group which was the same time the Renewable Energy Law was enacted and to the present. From harnessing wind and solar power to generating electricity from flowing water, our projects reduce emissions, help invigorate economies and contribute to the country's energy security.



Renewable Energy Project wins under Green Energy Auction 2 Program

Alternergy received the Certificates of Award from the Department of Energy for the Green Energy Auction 2 (GEA 2) Program on November 10, 2023 for the Alabat and Tanay Wind Power Projects with a total capacity of 141 MW.

Renewable Projects under GEA 2 Program



Tanay Rizal Wind Power Project

LOCATION:
Tanay, Rizal
(adjacent to existing
Pililla Rizal wind farm)

CAPACITY:
86 MW

CONSTRUCTION START:
Q2 2024



Alabat Island Wind Project

LOCATION:
Quezon

CAPACITY:
55 MW

CONSTRUCTION START:
Q2 2024



Meteorological Mast at the Alabat Wind Power Project Site

BUSINESS REVIEW

Progress against our Strategy

INTERVIEW WITH KNUD HEDEAGER

President and CEO, Alternergy Wind Group



“Our wind projects play an important role in our commitment to reducing carbon emissions and championing clean energy solutions.”

With the significant achievements and milestones for wind projects, how do these accomplishments reflect the progress of Alternergy's wind energy sector in alignment with the company's overarching vision?

The fiscal year 2022-2023 marked a series of significant milestones, including a successful Joint Venture Agreement (JVA) with Shell Renewables for the Tablas Strait Offshore Wind Projects. Additionally, substantial pre-development progress was made on the Tanay and Alabat projects, positioning them for the next phase, our participation to the GEAP2 process, which we won, and onto the potential commencement of construction as early as 2024. Notably, both projects overcame crucial permitting challenges, with the CAAP Height Clearance standing out as a pivotal achievement.

For the past years, with the oversubscription of the FIT market, wind projects were on hiatus. This has changed. We see that our wind portfolio, with its size and capacity, will drive the growth of the Group in the next coming years. There is excitement and anticipation but not to discount that we will be running against a tight deadline to put the first kilowatt online as committed.

With the group's dedication to sustainability and minimizing environmental impact, what is the wind's role in supporting this commitment?

Alternergy lives and breathes sustainability. It is in our core, guiding us during the development progress of our projects, from pre-development to construction to operations. As we commence building our new wind projects, we will ensure



Pililla Wind Farm

As we commence building our new wind projects, we will ensure that our contracts outline and reflect sustainability principles and that our contractors uphold these to the highest standards while on the ground.

that our contracts outline and reflect sustainability principles and that our contractors uphold these to the highest standards while on the ground.

Alternergy's commitment to reducing carbon emissions should extend to our contractors also championing clean energy solutions and best practices.

What were you most encouraged about during the period in review?

Our employees is one of the pillars of the Group. The Alternergy team is composed of very experienced and skilled individuals who are dedicated to the visions and ideals of the company. The hard work, persistence and innovations poured in and exemplified by each one over the years got us closer to the construction start of our two wind projects. Power projects

are long gestation undertakings. It is not for the faint of the heart because it really takes time and comes with challenges. I am proud that we have a team that is wired for these power generation projects.

What are your key priorities for the Wind business in the next two years?

After having successfully been awarded with winning bids of the GEAP2 in July for Tanay and Alabat Wind Projects, we will secure funding for the projects, undertake a competitive tender process for EPC contractors and be ready for construction start in Q2 2024. Our Group will also add staff in key positions to prepare for upcoming activities including making strategic moves on the next batch of wind projects to follow.

Success on Wind Farm

The Pililla Wind Farm, developed and started by Alternergy, has been in operation for eight years, providing 54 MW of clean power yearly to 66,000 Manila households. The project has become a popular tourist destination, attracting 130,000 weekly visitors. Beyond energy, the Pililla Wind Farm boosts the local economy, empowering residents with income opportunities.

The project demonstrated financial innovation. It was the first non-recourse project financing for wind projects issued by local banks, showcasing their support to Alternergy and clean energy.

Alternergy partnered with World Wildlife Fund (WWF) in carrying out educational and environmental outreach programs promoting clean energy awareness and initiatives.



Pililla Wind Farm

In essence, Pililla Wind Farm illustrates wind energy's potential to transform communities and economies, embodying collaboration, innovation, and sustainability for a cleaner world.

The proposed Sembrano Wind Project situated atop the breathtaking Mt. Sembrano in Pililla, Rizal and Pakil, Laguna, represents our forward-

thinking approach. This project is the second phase of the Pililla Rizal Wind Farm with a capacity of 102MW. It is a shovel-ready project with completed wind resource assessment, technical studies and permits.

Alternergy holds indirect economic and voting interest of 5% in the Pililla and Sembrano projects to date.

The project demonstrated financial innovation. It was the first nonrecourse project financing for wind projects issued by local banks, showcasing their support to Alternergy and clean energy.

Expanding Our Reach

Building upon these triumphs, Alternergy is poised for continuous growth and innovation following the secured projects in the Green Energy Auction 2 (GEA 2) by the DOE.

This achievement represents a pivotal moment as we embark on our path to expand our installed capacity. Over the next three years, we are committed to the development of these projects that will propel our capacity from 71 MW to 366 MW. With dedication and a focus on sustainability, Alternergy is firmly positioned to lead the way in shaping the future of renewable energy production.



Site of the Tanay Wind Project

Tanay Wind Project

Our Tanay Wind Power Project is a game-changer. The win under GEA immediately brought positive developments to the project. We have successfully entered in a long-term lease contract with the Rizal Provincial Government, solidifying our pioneering partnership. The project has secured height clearance permits for all the wind turbine locations that would

ensure safe air navigation. We have also been approached by various banks and entities for potential collaboration to get the project off the ground. At the same time, we are in extensive discussions with the National Grid Corporation of the Philippines (NGCP) to identify and implement the most feasible connection scheme for the project.



Equivalent in Kilowatt Hours
(Average Monthly Generation)

252,983,000

kWh/year
(21,081,917 kWh/mo)



Equivalent Number of Tons of
Carbon Emissions Reduction

141,252

tCO₂e/year



Alabat Wind Project Team meets with Alabat LGU

Alabat Wind Project

In 2022, we successfully installed our 10th meteorological mast, commonly referred to as a met mast, on the Alabat Island in Quezon Province which is located on the eastern seaboard of the Luzon facing the Pacific Ocean and which constantly face the ever-prevailing northeast monsoon. The Alabat Wind Power Project, with a capacity of up to 62.4 MW, aims to turn a natural resource that is habitually a cause of concern during the typhoon season into a reliable source of electricity using clean and suitable site-specific technology.

With its win in GEA 2, development is being accelerated to meet the committed timeline. The remaining pre-construction permits and clearances are being prioritized at the same time the bids for technical contracts are set for completion by the end of 2023.

We are targeting ground mobilization by the second quarter of 2024.

Onto the Next Frontier

Alternergy is one of the renewable energy (RE) developers awarded offshore wind service contracts by the Department of Energy (DOE), another pioneering initiative in the RE landscape that signifies our dedication to the sustainable future of energy production.

Through our subsidiary, Alternergy Wind Holdings Corporation, we will be undertaking offshore wind farm projects. The Tablas Straits covers approximately 120,000 hectares.

Our three Tablas Straits offshore wind projects will be undertaken with international player Shell that will bring technical expertise and experience to this new field. Currently, the policy,

regulatory and market environment is being laid down. Alternergy and our partner Shell will be at the forefront assisting the government in crafting frameworks, rules and guidelines to ensure that the offshore wind industry takes off in the next six years.

Our strategic foray into the offshore wind projects vividly underscores our commitment to bolstering the Philippines' energy aspirations. We remain steadfast in our dedication to assisting the country in achieving its target of sourcing 35% of energy from renewable sources by 2030, with an even loftier objective of 50% by 2040. This profound commitment resonates harmoniously with Alternergy's overarching mission to be the driving force behind sustainable energy solutions.



Kirahon Solar Farm

BUSINESS REVIEW

Continuous Growth in Solar Energy

INTERVIEW WITH MICHAEL J. LICHTENFELD
President and CEO, Alternergy Solar Group



“As we embark on our journey to build the Solana Solar Project and expand our horizons in the Pacific region, we’re not just generating power; we’re lighting the way for a greener and more electrifying future.”

The Solar Business has achieved remarkable milestones in 2022-2023 period, how do these milestones harmonize with the Solar Business's long-term vision and strategic objectives within Alternergy?

In the past year, Solar Pacific and Alternergy achieved remarkable milestones, illuminating the path to a sustainable energy future. Our expansion into new territories, pioneering the integration of utility-scale battery storage, and collaborating with the Australian government have ushered in a new era of innovation and progress.

As we embark on our journey to build the Solana Solar Project and expand our horizons in the Pacific region, we are not just generating power; we are lighting the way for a greener and more electrifying future.

With solar energy's growing significance in addressing climate change, what's the Solar Business' role in advancing Alternergy's sustainability goals and environmental stewardship efforts?

Our portfolio of solar projects generates clean renewable energy

to displace fossil fuels and mitigate climate change. Throughout the Philippines, our operational projects contribute to the country's efforts to advance renewable energy integration.

How would you characterize the group's performance and what were you most encouraged about?

The Solar Group has performed well in 2022-2023, adding new installed capacity, building a pipeline of future development projects, and operating our existing assets to generate cash flow.

What are your key priorities for the Solar group?

Key priorities for Solar Pacific in 2023-2024 are (1) complete the commissioning and start full operations of the Palau Solar + BESS Project; (2) close financing and start construction of the Solana Solar Plant; (3) execute the PPA and secure financing for the new Pacific Solar + BESS Project; (4) execute a new PPA offtake agreement for the Apulid Solar Project; and (5) continue managing our Kirahon and CitySun operational assets to generate cash flow.

First Large Scale Grid Solar PV

On its 7th year of operations, Alternergy took majority control of the 12.5MWp Kirahon Solar Power Project in Misamis Oriental last June 2022. Its solid performance generates a steady cashflow to the Alternergy Group.

The Kirahon Solar Power Project was the first large scale grid-connected solar PV project in the Philippines at the time of the start of its operations in October 2015. Its 25-year Power Supply Agreement (PSA) with local private distribution utility Cagayan Electric Power and Light Company (CEPALCO) was the first bilateral supply agreement approved by the Energy Regulatory Commission (ERC).

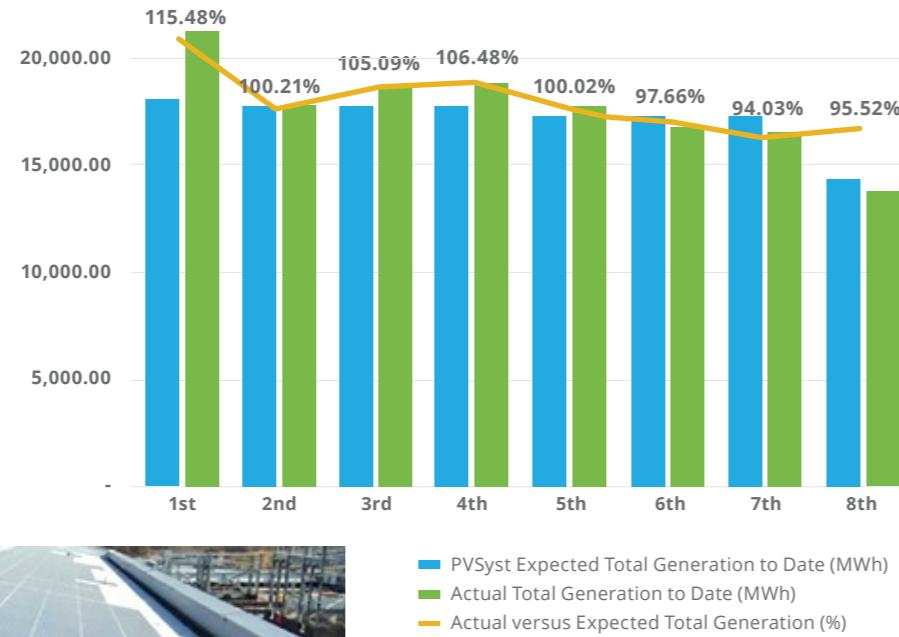
Since the start of operations, Kirahon Solar Plant has consistently overperformed, generating 110% of its expected annual generation targets.



In 2022, Kirahon Solar Power Plant's positive accomplishment continued. One significant factor is the favorable conclusion of the La Niña period beginning 2022 which guaranteed that the months from March to May, traditionally known as the summer season, as high performing season, boosting the plant's operations.

Meanwhile, at the City Sun Solar Rooftop, the current generation has reached 94% of the expected energy output projected by PVsyst. This surge can be attributed to increased foot traffic in malls following the pandemic. In addition, CitySun Phase 1 has generated revenue that exceeds expectations by 25.26%, primarily due to the elevated tariff rates charged by each Distribution Utility (DU).

KSEC Yearly Plant Performance from 2015 to August 2023



Solar Pacific CitySun Rooftop Project at CityMall

Diving into the Island Nations with Green Energy

We have entered the international energy market!

Solar Pacific Energy Corporation (SPEC)'s, Alternergy's solar sub-holding company, through subsidiary Solar Pacific Pristine Power Inc. (SPPPI), achieved energization of its first renewable energy project outside of the Philippines in July 2023.

SPPPI's solar PV + battery energy storage system (BESS) project, with a capacity of 15.3 MWp solar PV and 12.9 MWh BESS, is considered one of the biggest foreign direct investments in the Republic of Palau and the largest of its kind in the western Pacific region.

The project will make a significant contribution to the island nation in achieving its goal of 45 percent share of renewable energy in its power generation by 2025, provide 23,000 MWh of clean and renewable power as well avoid more than 10 thousand tons of carbon emissions per year.



Palau Solar PV + BESS Project Solar Array: 28,224 Units at 575 kWp



Delegates from the Federated States of Micronesia Visit the Palau Solar Project

The construction of the project helped spur economic activity in Palau as it employed 300 strong workforce, mostly composed of local people, and created opportunities for other business endeavors like accommodations and services to support the construction phase.

The Palau project brought together an innovative collaboration among

the private sector, government and financing institutions as a model to the fund a critical energy infrastructure that could be duplicated in other nation islands in the Pacific.

This milestone aligns with Alternergy's commitment to growing our renewable energy portfolio while fostering environmental and social sustainability in the Pacific region.



Equivalent in Kilowatt Hours
(Average Monthly Generation)

23,680,000

kWh/year
(1,973,333 kWh/mo)



Equivalent Number of
Households to be Electrified

3,140

Households^[1]



Employment during Construction
(Including Local Employment)

150

local jobs during
construction



Equivalent Number of Tons of
Carbon Emissions Reduction

10,244

tCO₂e/year^[2]

Solana Solar Power Project: Empowering Electricity End-Users

In July 2023, Alternergy's Solana Solar Alpha Inc. (SSAI) signed a long-term Power Supply Agreement (PSA) with retail electricity supplier Kratos RES, Inc.

The PSA is a guarantee of a steady market for the Solana Solar Power Project. It is also a chosen path to sustainability and empowerment. The Solana Solar Power Project will provide green, reliable and cost competitive electricity supply to malls, offices, complexes and manufacturing facilities served by Kratos, whose businesses require operational and cost efficiencies. These sectors value sustainability in how they operate their businesses. By partnering with Kratos, the Solana Solar Power Project affirms this mission, solidifying the wave of change happening in the corporate

world as companies intentionally incorporate sustainability in their business operations.

The Solana Solar Power Project targets to commence construction by the end of 2023. It has awarded the Engineering, Procurement and Construction (EPC) contract to JGC Philippines, Inc. after a competitive selection process and has secured financing commitment from a leading Philippine commercial bank. The project is seen to create ripples of positive impact - about 200 new local jobs are to be generated; market opportunities for support sectors such as logistics, material and equipment and welfare programs for the communities.

By fourth quarter of 2024, the Solana Solar Power Project will start delivering clean energy to electricity end-users.



Equivalent in Kilowatt Hours
(Average Monthly Generation)

40,000,000

kWh/year
(1,973,333 kWh/mo)



Employment during Construction
(Including Local Employment)

200

local jobs during
construction



Equivalent Number of
Households to be Electrified

15,493

Households^[1]



Equivalent Number of Tons of
Carbon Emissions Reduction

27,344

tCO₂e/year^[2]

Apulid Solar Project: Combining Clean Energy and Sustainable Aquaculture

Alternergy's pioneering DNA continues to break new ground!

The Apulid Solar Power Project, with a proposed installed capacity of up to 80 MWDC, is a ground-mounted solar project to be co-located and integrated within an operational traditional aquaculture farm spanning

an expansive 80 hectares. This unique initiative will serve a dual purpose: supplying clean power to the grid and sustaining the aquaculture farm's production of aquatic products, all within the same geographical space. This pioneering project marks a significant milestone as the first of its kind and the largest in Luzon.

The Apulid Solar Power Project, being developed by Liberty Solar Energy Corporation (LSEC), is currently in the process of securing permits and clearances and conducting technical studies with a target delivery date by end 2025.

Developing the Apulid Solar Power Project underscores our expertise and dedication to shaping a sustainable energy future in the region, re-affirming our leadership in providing clean and reliable power solutions while preserving food security to meet the nation's growing energy and food needs.



Transforming the Fish Pond into Solar Aquavoltaic

BUSINESS REVIEW

Empowering Tomorrow with Hydropower

INTERVIEW WITH EDUARDO MARTINEZ MIRANDA

President and CEO, Alternergy Hydro Group



“Construction is progressing despite the hurdles, bringing us closer each day to the finish line.”

With DBP's funding in two of Alternergy's Hydro projects, how does this align with Alternergy's vision?

We are delighted with DBP's support of our run-of-river hydro projects. It speaks of trust and shared goal in pursuing sustainability through accelerated use of renewable energy resources and community development. As our partner, DBP understands the complexities and challenges of developing hydropower projects. Our strategic goal is to complete these projects so that we can start generating power soonest possible.

How does the Hydro Business contribute to Alternergy's portfolio and its unwavering commitment to clean energy production?

Hydropower is a 24/7 resource. Although affected by seasonality, it is consistently available throughout the year, which positively complements and completes the solar and wind initiatives of Alternergy's Triple Play portfolio. We are in the middle of the construction phase of our two hydropower projects. Together with our partners, we aim to complete these projects by 2024.

How would you characterize the group's performance in 2022-2023? What were you most encouraged about?

This fiscal year can be aptly characterized as a period of challenges and opportunities for our group. These challenges predominantly arose from the activities associated with the construction of our hydro projects. We were affected by the pandemic which restricted mobility and logistics. We saw and felt the impact of geopolitical events on economic stability and financial market volatility. We were affected by strong weather disturbances.

While these challenges have tested our capabilities and determination, they have also presented us with valuable opportunities for growth and learning. Construction is progressing despite the hurdles, bringing us closer each day to the finish line.

What are your key priorities for the Hydro business?

As mentioned, we remain focused on the on-going construction of our hydro projects. Our eyes and minds are set on completing these projects by 2024.

Hydropower: Beyond Challenges

Alternergy's hydro projects, through our hydropower arm Alternergy Mini Hydro Holdings Corporation (AMHHC), welcomed 2022 with daunting challenges, impacting construction timelines and costs.

The Ukraine-Russia crisis impacted the financial markets worldwide which consequently affected the cost of the project in terms of materials and equipment, foreign exchange and interest rates. Typhoons delayed construction progress and increased costs due to repairs.

But at the same time, 2022 brought in the needed project financing to further advance construction. As our commitment to hydro development, our Dupinga and Kiangang projects were started using equity infusion until funds from the banks became available. By mid-2022, the two projects secured approval from the DBP amounting to Php 3.1 billion to further advance construction difficulties. The support from DBP is part of DBP's robust commitment to foster and support utility-scale energy generation projects prioritizing sustainability and environmental consciousness.



Dupinga Run-of-River Hydro Project

The Dupinga project, with a capacity of 4.8 MW, harnesses the Dupinga River's power to generate clean and green electricity. The primary beneficiary of this sustainable energy source is the Nueva Ecija II – Area 2 Electric Cooperative, Inc. (NEECO 2- Area 2) wherein we have a long-term Power Supply Agreement (PSA). As an embedded generation facility, the Dupinga Project provides renewable

supply to NEECO II – Area 2 to help it comply with the mandated Renewable Portfolio Standard (RPS) requirement.

As of June 2023, our Dupinga Project has achieved an overall physical completion rate of 28.5% with a target completion by November 2024.

The Dupinga Project is located within the ancestral domain of the Katutubong

Dumagat of Central Luzon and the Sierra Madre Mountain. As part of our journey towards a greener and sustainable future, the Dupinga Project works closely with the Katutubong Dumagat through various programs and activities to safeguard the rights and well-being of indigenous peoples and preserve the ecological integrity of the Sierra Madre mountains.

The Kiangang Project is composed of the Asin-Hungduan and Ibulao Mini Hydropower Projects in the municipality of Kiangang, Ifugao. It will harness the Asin, Hungduan, and Ibulao River systems to generate 17.4 MW of clean, renewable electricity for the Luzon grid.

The Kiangang Project started construction in April 2021. As

of June 2023, it has achieved an overall completion rate of 29.5%. Power evacuation through the Ibulao segment is targeted for December 2024 to be followed by the Asin-Hungduan.

The Kiangang Project is located within the ancestral domains of the Tuwali Indigenous Peoples of Kiangang and

Lagawe. Possessory rights of land is one of the main hurdles in the development as the Kiangang Project deals with numerous land claimants over some portions of the project site. The Kiangang Project aims to work hand-in-hand with our host communities, ensuring that their rights are upheld, and welfare is improved.



Ongoing Construction of the Kiangang Run-of-River Hydro Project



Dupinga Mini Hydro Corporation generously donated 1,000 seedlings of various species to the Nuestra Señora de las Saleras Parish in Aliga, Nueva Ecija. This contribution is part of the company's ongoing efforts to support tree planting initiatives within the province, in response to requests from various agencies and organizations.

In the same fiscal year, Alternergy partnered with Exeter Portofino Holdings to develop a hydropower project nestled in the picturesque locales of Lamut and Asipulo, Ifugao. This would be the third hydro project of Alternergy. To date, the Lamut Project is completing permitting activities and conducting studies to bring the project into shovel-ready stage.

As Alternergy develops our hydro projects, we are committed to aligning with the traditions and values of our host communities while expanding the horizon of renewable energy.

Alternergy's overarching goal is to achieve 1,370 megawatts of renewable energy capacity within the next five years, and every project we undertake brings us closer to realizing this goal.



In pursuit of our mission to foster community growth and advocate for sustainable living, Kiangon Mini Hydro Corporation (KMHC) has officially turned over the budget for solar powered streetlights in the Barangay local government unit of Mungayang, Kiangon, one of the host communities of the project.



Dupinga Run-of-River Hydro Project Team at Work



Equivalent in Kilowatt Hours
(Average Monthly Generation)

33,300

MWh/year at 56% Net Capacity Factor
(2,772,493 kWh average monthly generation)



Equivalent Number of Households to be Electrified

49,508

Households



Equivalent Number of Tons of Carbon Emissions Reduction

15,865

tCO₂e/year

Alternergy's Next Phase of Growth: IPO

On 24 March 2023, Alternergy debuted in the main board of the Philippine Stock Exchange (PSE) as the first initial public offering (IPO) conducted for the year. Despite geopolitical uncertainties, and market and financial volatilities, Alternergy's pioneering spirit braved the IPO market.



We were up against strong negative market sentiments and prospects of a rigorous listing process. Yet the intent to bring the company to our next phase of growth and our commitment to sustainability propelled us to proceed.

With an initial listing price of Php 1.28 per share, Alternergy offered 1.150 billion in primary shares representing 32.6 percent of the company's economic ownership. The company raised a total of Php 1.6 billion from primary shares and Php 147 million from an over-allotment.

“The assets lined up by Alternergy will contribute greatly to efforts by the private and public sectors to transition to sustainable energy sources to help curb the effects of climate change. When you have a former Department of Energy Secretary as Chairman of a power firm, you will instinctively have confidence in the attainment of this vision and the smooth implementation of the company's strategic initiatives.”

- Ramon S. Monzon
PSE President and CEO

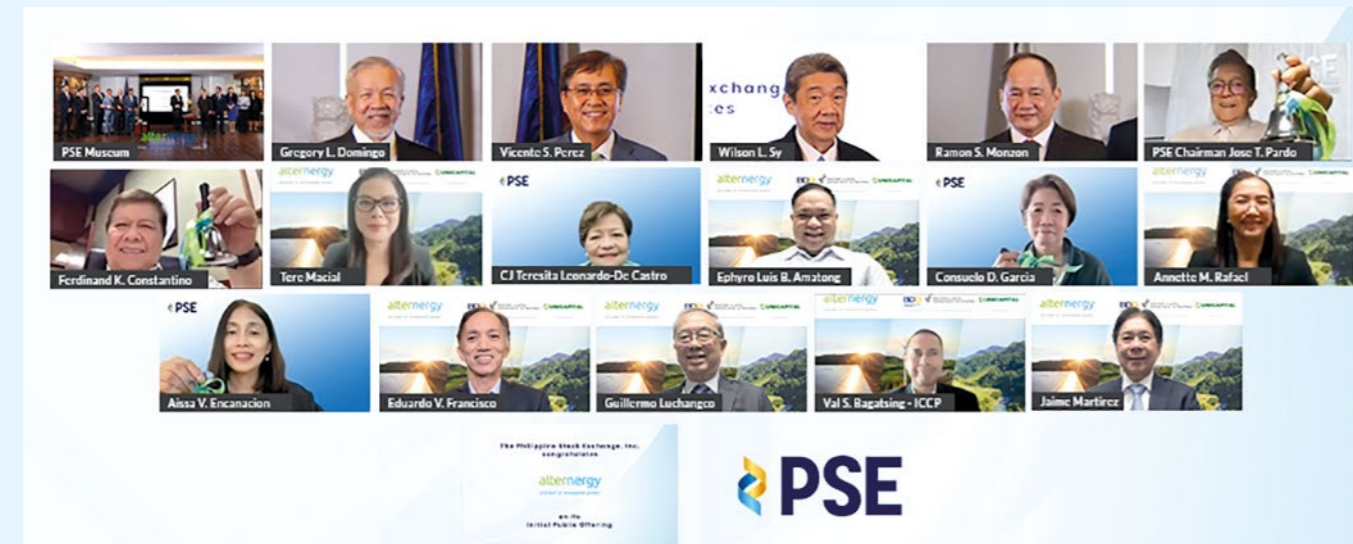
The decision to offer all primary shares stood out with the analysts, saying “a 100% primary IPO is a rare thing!” and that such move is a “strong signal of the company’s intent to grow.” Indeed, the proceeds from the IPO are all to be allocated to the acquisition of an operating asset and as initial funds for projects that are shovel-ready for construction and under pre-development. We have laid down a 5-year growth plan in terms of installed generating capacity and EBITDA. With this, we have also laid down a capital funding plan to carry our asset growth trajectory. The IPO is our cornerstone to also grow the Group’s capital structure.

The Alternergy IPO is also a step to raising champions for renewable energy among different walks of life. We are strong advocates for what we call the “green democratic capitalism” – giving every Filipino family, every young professional, every family office, the opportunity to participate in a

renewable energy IPO and own a part of a green energy company. We are all electricity consumers, we believe, it would only be fitting and encouraging that we are all a part of the call to promoting clean, sustainable and reasonably priced electricity.

Just as power projects are long gestation, we also understand that the benefits of the investments poured into the IPO could take time. And thus, we encourage our investors to hold onto these investments because by doing so we help assure the children of tomorrow of a sustainable future.

With an initial listing price of Php 1.28 per share, Alternergy offered 1.150 billion in primary shares representing 32.6 percent of the company’s economic ownership.



Alternergy and GSIS: Partners in Nation Building

On 7 November 2023, we closed another major capital raising activity, seven months after going public on 24 March. State-run pension fund Government Service Insurance System (GSIS) joins Alternergy as a strategic investor, subscribing Php1.45 billion of Perpetual Preferred Shares 2 Series A under a private placement.

The agreement with GSIS signifies a partnership of common goals and shared values. We both aim to build a solid portfolio of infrastructure projects focused on sustainability. We both aim to be responsible stewards of the resources in our hands and steadfast in our commitment to sustainability and nation building.

GSIS president and general manager Wick Veloso says: “Our investment in renewable energy not only dovetails with the country’s National Renewable Energy Program but also provides a foundation for stable returns. Our dual-pronged investment underscores our dedication to meaningful and profitable investments for our pensioners, all the while contributing to the nation’s pursuit of clean energy objectives.”

For us, GSIS stands as a cornerstone investor. The support will accelerate Alternergy’s roll-out of our Triple Play portfolio of wind, solar and run-of-river and will significantly boost our equity base. The investment strategically positions us to continuous capital raising initiatives as we enter the construction phase of our projects in the next three years and contribute to accelerate the country’s energy transition.



Note: The agreement with GSIS has been signed at the time of the printing of the IR.



Our Approach to Sustainability

In the ever-evolving landscape of renewable energy, Alternergy stands as a pioneering force, driving change and progress. With our wind, solar, and hydro projects on the horizon, Alternergy's vision extends far beyond power generation. We are driving a future where sustainability and environmental stewardship take center stage. The journey ahead is inherently challenging, but it is one marked by resilience, innovation, and a steadfast commitment to a greener, more sustainable world.

At its core, Alternergy is a company that puts the planet and people at the center of its business. In embracing the country's reality and vulnerabilities, Alternergy was established by passionate individuals and true visionaries of clean energy in 2008. The founders are firm advocates and pioneers of the field, who are focused on helping the Philippines achieve its renewable energy potential through

the development of wind, solar and run-of-river hydro power projects across the country.

We have built on our successes anchored on our competitive strengths that drive the three pillars of sustainability (profit, planet, and people) and contribute to the 17 United Nations Sustainable Development Goals (UN SDGs).

alternergy



Alternergy contributes to all the 17 United Nations Sustainable Development Goals

Sustainability Framework: Our Quadruple Bottom Line Philosophy

Our guiding framework, the Quadruple Bottomline Philosophy, is our sustainability roadmap aligned to crucial environment, social, and governance aspects of our operations, business strategies and value chain to meet our stakeholders' expectations and shareholder value. We identified four measures as benchmarks to our success and create long-term value for all stakeholders.



PROFITABILITY

We measure our financial gains by annual cash flow generation in terms of per megawatt installed or invested capital, as well as meaningful returns provided to our internal and external stakeholders. We create economic value, protect the environment, and balance our social responsibility to the communities we serve.



CLIMATE CHANGE MITIGATION

We mitigate climate change measured in terms of annual tons of carbon dioxide emissions both displaced and avoided by the clean power generated from our projects.

In June 2022, we committed to strictly focus on renewable power and not invest in fossil fuel generation such as coal, fuel oil, natural gas, nuclear power.

Likewise, we empower the next generation by supporting NGOs that educate the public on the impact of climate change.



HOST COMMUNITY BENEFITS

We partner with the host communities of our projects and create meaningful relationships through programs focused on making a positive impact on their local environment, livelihoods, health, and education.

We measure this endeavor by annual households energized each year. This is because Alternergy considers the role of the community as a "social fence" in power assets in emerging countries, and vice versa, every power asset will proactively engage in the rural electrification of rural villages in host communities.



EMPLOYEE FULFILLMENT

We aim to create a work environment with a balanced work-life atmosphere that is both challenging and fun.

We also connect our employees to our host communities by involving them in planning and organizing host community activities.

Managing our Impact

We continue to enhance our sustainability management as part of our competitiveness and continuously work towards our goals and engage in a transparent communication with our stakeholders on our performance. We keep track of our progress on the materials topics that are important to our stakeholders and review these annually. As we seek mutual growth with our stakeholders, the following materials topics define the area we focus on to create a positive impact and value for all.



Our Value Creation Model

WHAT WE DO

We power growth, progress, and development through renewable energy and alter the lives of our host communities through renewable energy.

Our Resources

FINANCIAL	
● Cash	Php 1.2 B
● Consolidated Assets	Php 4.9 B
● Debt-to-Equity Ratio	0.66x
● EBITDA	Php 180 M
● Direct Economic Value Generated	Php 246.3 M
● Economic Value Distributed	Php 198.8 M

HUMAN CAPITAL

● Employees	55
● Learning & Development	

INDUSTRIAL AND NATURAL CAPITAL

Renewable Energy Projects

● Operating Assets	11
● Total Capacity	86 MW
● Projects under Construction	3
● Total Capacity under Construction	50 MW
● Projects under pre-development stage	4
● Total Capacity in the next three years	474 MW

HOW WE DO BUSINESS

Our ways of working is anchored on **Quadruple Bottomline Philosophy**

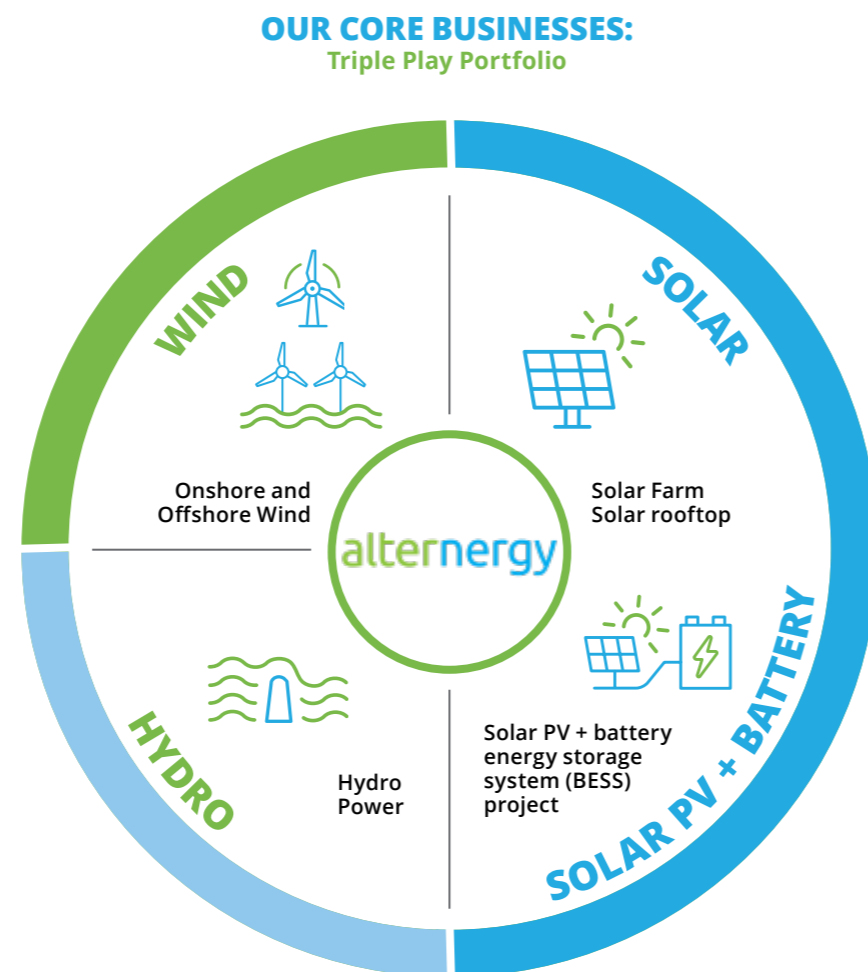
- Profitability
- Carbon Reduction
- Community Benefits
- Employee Fulfilment

Our Strategic Priorities

- Accelerating Triple Play Renewable Investments
- Strengthening Corporate Governance and Sustainability Goals
- Future proofing Alternergy
- Skilled Talent Pool
- EBITDA Growth

OUR VISION

Alternergy strives to be a pioneering renewable power company in the Philippines.



WHOM WE SHARE OUR VALUES WITH

● Employees

● Shareholders & Investors

● Customers

● Partners & Regulators

● Communities

● Suppliers

OUR VALUE CREATION

- Cultivate balanced work-life environment
- Employee Fulfillment

- Grow revenue and steady cash flow
- Maintain robust renewable pipeline
- Accelerate growth in renewables
- Expand portfolio and reach
- Acquire new opportunities for growth

- Enhance performance and reliability

- Enforce strong governance
- Explore and deploy emerging technologies

- Manage social and environmental impact
- Build more resilient, capable communities

- Cultivate synergies and trustworthy transaction

OUTPUTS

PEOPLE	
44%	Women in Management positions
74,730	Households energized annually
41	Number of Host communities
	Priority employment to skilled local people
350	Local Jobs generated during construction

PLANET	
86 MW	Renewable Energy capacity (Operating Assets)
100,444 CO ₂	Carbon Emission Reduction
151,500	Trees Planted to date
141 MW	Total Capacity of secured GEA 2 Awarded Projects
50 MW	Total Capacity of ongoing project construction

ECONOMIC PERFORMANCE	
Php 38 M	Consolidated Net Income
Php 1.6 B	Capital Raised from IPO
Php 2.7 B	Total Equity
358,000	Annual Number of Visitors/Tourists in Alternergy visitor centers

SDG FOCUS AREAS

Climate Change Risks

At the forefront of championing clean energy, Alternergy strongly acknowledges the risks of climate change and the impact it poses to our business and daily operations. We have identified key risks that can undermine our business growth due to their aggregate consequences on the macroeconomy.

PHYSICAL RISKS

Acute Physical Risks: Event-driven risks from increased severity of extreme weather events, such as floods, typhoons, landslides, and droughts.

Chronic Physical Risks: Long-term changes in weather patterns, such as increasing temperature, water unavailability, declining wind speed, and sea level rise.

TRANSITION RISKS

Policy: Changes in government regulations, such as feed-in-tariffs or net metering policies, high upfront costs associated with installing solar power projects, lack of a comprehensive regulatory framework for solar power projects; or stricter regulatory policies that could have financial and operational implications on Alternergy.

Legal: Legal liability such as default and penalties if Alternergy fails to perform obligations in the loan agreement with lenders and the green energy auction under the Department of Energy.

OTHER RISKS

Market: Shifts and changes in the following market trends, demands, and regulations, such as consumer preference, conflict, restrictions on source of supply, declining tariffs, enhanced market competition, rising price of equipment, offtake risk, supply shocks, interest rates, exchange rates, declining tariffs, among others that may directly impact the financial health of Alternergy.

Technology: New and improved technologies can impact capital depreciation and increase investment in business operations by making existing technologies obsolete. However, these advancements also indicate opportunities both for the progress of the RE sector and the growth momentum of Alternergy. Recently, we've considered the developments in battery storage technology in some of our solar energy projects as it could help address the issue of intermittency associated with solar and wind power.

Reputation: Negative news and damaged market reputation of the Company caused by adverse management on land acquisition, negligence on biodiversity, environment, and neighboring communities, and forms of social injustice like forced labor, child labor, and gender inequality.

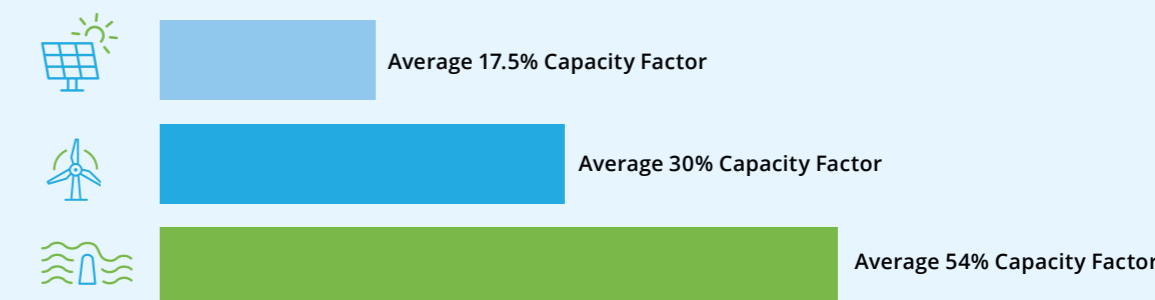
Triple Play Portfolio

In June 2022, Alternergy pledged to strictly focus on renewable power and not invest in fossil fuel generation, such as coal, fuel oil, natural gas, and nuclear power. This supports the Philippines' clean energy transition, where in the next five years, we aspire to build a total of 1.4 gigawatts of RE and create a more sustainable future for the next generation. We anchor this on our strategic investment called the Triple Play Portfolio, which is Alternergy's diversified and solid portfolio of project companies engaged in wind, run-of-river hydro, solar farm and commercial rooftop, battery storage and offshore wind projects.

We use the Triple Play Portfolio to directly address two negative impacts: (1) climate seasonality and (2) revenue streams. Through the business strategy of harnessing clean energy through three technologies, Alternergy ensures an all-year-round practical solution to maximize seasonality in the Philippines and provide a steady cash flow for loan obligations to recur development costs and shareholder returns. This ingenuity provides a 24-hour clean energy supply to green option customers and allows for a diversified mix of complementary power generation revenues.

ALTERNERGY TRIPLE PLAY RENEWABLE ENERGY PORTFOLIO

The following chart presents the capacity factors of the three renewable energy resources: Alternergy's "Triple Play" portfolio. It is well positioned to take advantage of new RE technologies especially hydro and wind which show higher capacity factors of 54% and 30%, respectively compared to solar's 17.5% capacity factor.



Source: Information provided by Alternergy

Approach to Stakeholder Engagement

In line with our third principle of strengths, the lens of Partnerships empowers the way Alternergy identifies and shares value creation with our stakeholders. We ensure transparency and conduct various forms of engagement, including regular communications, stockholder meetings, survey, and dialogue to respond better to our stakeholders.

STAKEHOLDER	THEIR VALUE	HOW WE ENGAGE	CONCERNS	OUR RESPONSE
Co-investors/Shareholders	Provide resources and oversight	Annual stockholders meeting Meetings with investors	Business performance	Timely and transparent disclosures
Off-takers/Clients	Buyers of energy generated	Regular meetings	Downtime level of service	Ensure proper maintenance of renewable energy systems
Financiers/Creditors	Provides capital to support business	Regular communications and business updates	Financing additional projects Governance and business ethics	Comply with financing terms and agreements
Equipment/Service Suppliers	Provider of wind and water turbines, solar panels, technical consulting, contractor expertise	Regular communications Supplier accreditation	Governance and business ethics	Practice supplier accreditation and ethical procurement policies
Government Regulator	Policymaker implements regulations that govern the sector	Scheduled and unscheduled audits Regular communications Proactive consultation	Compliance with legal and regulations Governance and business ethics	Follow rules and regulations Provide timely and accurate reports
Host Communities	Host of renewable energy equipment	Regular dialogue and consultation with the host community on project implementation and concerns	Involvement of community	Partner in the implementation of projects and community benefit programs
Employees	Implement company objectives and represent the company	Regular town hall meetings Performance appraisals	Employee welfare and benefits	Ensure work-life balance, a good working environment, and employee fulfillment
Media/Capital Markets	Accurate reporting on company performance	Media and analysts' briefings	Business performance ESG Impacts	Provide timely, transparent, and accurate updates on the business

Our Contribution to the UN SDGs

The journey to a sustainable future is multifaceted. A holistic approach is imperative in creating and providing environmental and social value that accounts for all three sustainability pillars that naturally coalesce with one another. Guided by our overarching Quadruple Bottom Line Philosophy, we identified how our business practices and socio-economic initiatives in 2023 contributed and aligned with all 17 United Nations Sustainable Development Goals (UN SDGs).



No Poverty

We cultivate relationships with the residents and indigenous people in the locations where we operate, particularly in obtaining consent in areas considered ancestral domains. We help promote social inclusion and reduce poverty in our host communities by providing them with access to quality education, healthcare, and clean and affordable energy.

More importantly, we comply with Energy Regulation No. 1-94 (ER 1-94), which states that host communities receive a reasonable share of the profit from the power plants operating in their area.



Zero Hunger

We contributed to the livelihood of our host communities with propelling programs to promote entrepreneurship and stable job opportunities. These include handicrafts training, farmer education, and boosted business activities surrounding the wind farm.



Good Health and Well-being

We partner with leading insurance companies to give the best support to our employees and their dependents' well-being.

- Life insurance coverage by First Life Financial Co. Inc.
- HMO coverage by Etiqa Philippines.
- All employees receive medical, group life, and business travel, accidental death and disablement, and total and permanent disability coverages.



Quality Education

Alternergy employs a sustainable practice between career opportunities and the residents of host communities with sufficient qualifications. We give them priority employment throughout the life cycle of our projects – from pre-development to construction, operation, and management. To further this cause, we energize our initiatives starting from its roots:

- Provision of funds and assistance for classroom upgrades, building

improvements, and school supplies across host communities.

- Set up E-Learning Centers in host barangays and installed WIFI modems / routers.
- Annual support to DepEd's Brigada Eskwela Program.
- Annual donation and assistance to the Rice Terraces Indigenous Knowledge Systems and Practices Learning Resource Center and Community Heritage Library.
- Conducts environmental education sessions.



Gender Equality

We promote diversity and build a safe and comfortable working environment. Our project companies give priority employment to competent members of the indigenous peoples' communities as full-time employees.



Clean Water and Sanitation

We protect the river watersheds we tap into for all our hydro projects through the following:

- Securing the National Water Regulatory Board (NWRB) permit for all our hydro projects.
- CSR program for the Dupinga Project: water systems infra-structures, tree planting, etc.
- CSR program for the Kiangon Project: community clean-ups



Affordable and Clean Energy

Our RE projects provide our host communities and green option customers access to affordable, reliable and sustainable energy sources. By numbers, our portfolio expands by the following scope:

- 11 operating projects with 86 MW total capacity
- 3 projects under construction with 50 MW total capacity
- 4 projects in pre-development



Decent Work and Economic Growth

Our investments in RE projects generate economic growth through job opportunities and local business ventures surrounding project areas that attract tourism.

More importantly, we prioritize that the majority of labor work during project construction is from the local communities in which we operate. As a few examples:

- 350 local jobs for the Kirahon Solar Power Project
- 74 (including 36 Katutubong Dumagat) and 349 (including 236 local hires, of which 178 are indigenous people) local jobs for the Dupinga and Kiangon Run-of-River Hydro Projects.



Industry, Innovation and Infrastructure

Our investments also include the research and development of new technologies for wind, solar, and hydro. Currently, we utilize Wind Resource Assessment, Hydrology Study, Solar PVSyst, Geohazard, Land Survey, Avian Impact Study, Line of Sight Clearance, Height Clearance Permit, Light Detection and Ranging (LIDAR), and Aerial photogrammetry, among others.



Reduced Inequalities

Akin to SDG 4 (Quality Education), we achieve reduced inequalities through priority employment to competent members of the indigenous peoples' communities as full-time employees throughout the life cycle of our projects.



Sustainable Cities and Communities

Our solar rooftops at multiple malls promote sustainable urbanization and resilient business infrastructure due to their clean energy solutions in reducing carbon emissions.



Responsible Consumption and Production

We measure the annual tons of carbon dioxide emissions displaced and avoided by the clean power generated from our projects.



Climate Action

The power created from our wind and solar farms in operation displaces 125,648 tons of carbon emissions per year (from 73,000 tons reported last year) that would have otherwise been created through fossil fuel generation. With our increasing number of projects under construction and in the pipeline, we can further avoid 754,491 tons of carbon emissions per year.



Life Below Water

All hydro plants are complete and compliant in their studies conducted and permits obtained for the development of the projects, such as the semi-annual Compliance Monitoring Reports that ensure continued adherence with the DENR's requirements for the ECC

(Environmental Compliance Certificate) and the EMP (Environmental Management Plan).

We also employ the "No Single-Use Plastics" that was approved by the Executive Committee on July 10, 2023, to help reduce plastic pollution affecting marine organisms in water bodies.



Life on Land

For our Dupinga Project, we continue to support the Central Sierra Madre Mountain Range Critical Habitat for Philippine Eagle and other Wildlife Species through the Environmental Literacy Campaign of the DENR.

Under our CSR, we also require our community officers in our run-of-river plants to enact the Tree Planting Program. Since its start in 2018, we have planted 151,500 trees.



Peace, Justice and Strong Institutions

We promote peaceful and inclusive societies for sustainable development by cultivating strong relationships with the indigenous peoples and embodying good governance using the values of transparency, accountability, and participation decision-making processes.



Partnerships for the Goals

We have established competitive strengths that result in the success of our project development and execution, profitable operations, and new opportunities for growth.



CORPORATE GOVERNANCE

Leadership in Action

At Alternergy, we pioneer excellence with an unwavering dedication to governance practices that power our strategic vision. Our leadership and oversight, vested in a distinguished Board of Directors, are fueled by comprehensive insights from executive officers, spanning business operations, financial stability, and performance. This invaluable exchange inspires informed decision-making that shapes our path forward, both in the short and long term. Committed to innovation, we continuously adapt our governance framework to meet future challenges and opportunities.

Board of Directors



Vicente S. Pérez Jr.

Vicente S. Pérez Jr. (Chairman) is the Founder and Chairman of Alternergy Holdings Corporation. He was Philippine Energy Secretary from June 2001 to March 2005. He promoted clean indigenous energy and crafted a ten-year renewable energy policy framework. Vince played a key role in President Arroyo's economic diplomacy, by forging strategic energy partnerships with several Asian countries, the UK and USA. He served briefly in early 2001 as Undersecretary at the Department of Trade and Industry. Prior to his government service, Vince had 17 years' experience in debt restructuring, capital markets, and private equity in emerging markets. He joined Mellon Bank in Pittsburgh in 1983 as Latin American credit analyst and Mexico desk officer. In

1987, Vince joined Lazard Brothers' debt trading team in London. The following year he moved to Lazard Frères in New York and formed its emerging markets team. At 35, he became the first Asian General Partner at Lazard Frères. He was Managing Director of Lazard Asia Singapore from 1995 to 1997. Vince founded Next Century Partners in 1997, a private equity firm, and launched the Philippine Discovery Fund and the Asian Conservation Company. He assisted several investee companies with their Singapore Stock Exchange listings. He was also Chairman of Merritt Partners, an energy advisory firm focused on Asia and was Vice Chairman of National Renewable Energy Board from 2009 to 2010. He has served as independent director of Energy Development Corporation and

SM Investments and is currently an independent director of Banco de Oro Universal Bank, Double Dragon Properties, and nonexecutive director of ST Telemedia. He is on the advisory boards of Pictet Clean Energy Fund and Yale Center for Business in the Environment. He was Chairman of WWF-Philippines and trustee of WWF-International. Vince obtained an MBA from the Wharton Business School of the University of Pennsylvania and a Bachelor's Degree in Business Economics from the University of the Philippines. He was a World Fellow at Yale University, where he lectured an MBA class on renewable energy in emerging countries. He is currently Honorary Consul for the Kingdom of Bhutan.



Gerry P. Magbanua

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



Knud Hedeager

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

Eduardo Martinez Miranda (Director) is the President of Alternergy Mini Hydro Holdings Corporation, responsible for bringing to life the company's hydro portfolio. Eduardo focuses his work at Alternergy on creating hydro power assets that are socially, environmentally, and economically sound, benefiting both local citizens and lenders for the long term. Eduardo is an experienced finance executive with a global career that spans almost every form of banking. His finance posts include serving as Director and Head of Corporate Finance for Merrill Lynch Securities Philippines, Managing Director and Head of Philippine Investment Banking operations at Macquarie Securities Philippines, and Senior Investment Officer and Hub Leader for IFC in the Philippines.



Eduardo Martinez Miranda



Michael J. Lichtenfeld

Michael J. Lichtenfeld (Director) is the Co-Founder and President of Solar Pacific and Alternergy's solar partner company. Since 2012, he has been responsible for growing Alternergy's solar power capabilities and capacity. His work at Solar Pacific has been defined by 'firsts', including conceptualizing and developing the 12.5MW Kirahon Solar Power Project – the first large-scale solar photovoltaic ("PV") project in the Philippines to be built under a bilateral power supply agreement with a local utility, and the first bilateral solar agreement to be approved by the country's Energy Regulatory Commission. Mr. Lichtenfeld has managed a portfolio of over 300MW of solar development assets and has closed more than \$250 million in solar project financing. Prior to Alternergy, he served as Director of Utility Solar Development at SunEdison, LLC until 2012. He has also held leadership positions in U.S. solar company MMA Renewable Ventures and Spanish solar firm IPP Fotowatio SL ("FRV"). Mr. Lichtenfeld started out in the financial industries, working in investment banking at UBS, private equity investing at Blue Wolf Capital Management in New York, and conservation finance at The Nature Conservancy - Indonesia. He holds an MBA and Master of Environment Management from Yale University. He has resided in the Philippines since 2013.



Maria Theresa Dela Peña Marcial

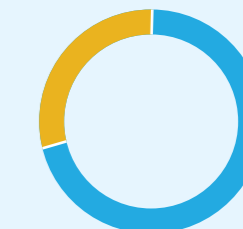
Maria Theresa Dela Peña Marcial (Independent Director) is a seasoned banker and has 27 years of experience in banking and finance. Ms. Marcial is President & CEO of BPI Asset Management & Trust Corporation, providing a wide range of investment, trust and wealth management solutions to corporate, institutional, high net worth, mass affluent and retail client segments. Ms. Marcial has held senior leadership positions in BPI. From April 2017 to May 2022, Ms. Marcial served as BPI's Chief Finance Officer, responsible for driving the bank's strategic planning and budget process, performance management, capital structure and sustainability agenda, and was concurrent Chief Sustainability Officer of the bank. She is currently a Board Director of BPI Europe Plc. Prior to her banking career, Ms. Marcial worked at the Agricultural Policy Credit Council and the National Economic and Development Authority. In 2014, Ms. Marcial was recognized as one of the Top 25 Most Influential Women in Asset Management in Asia by Asian Investor, Most Outstanding Alumnus of the University of the Philippines Los Baños in 2006, and received the CEM Centennial Outstanding Alumni Award from the University of the Philippines Los Baños in 2019. Ms. Marcial is an advocate of marine conservation and renewable energy. She is a Trustee and Treasurer of WWF Philippines, a member of WWF Asia Pacific Council, a Board Director of Philippines Inter-Island Sailing Federation and a fellow of the Foundation for Economic Freedom. She obtained the Royal Yachting Association Skipper Certification in Sydney, Australia in 2015. In 2018, she participated in the Rolex Middle Sea Race, a 606-nautical mile Category 2 offshore yacht race around Sicily organized by the Royal Malta Yacht Club. She obtained her master's degree in economics from the University of the Philippines Diliman in 1994 and graduated cum laude with a Bachelor's Degree in Economics from the University of the Philippines Los Baños in 1990. She completed the Advanced Management Program at Harvard Business School in 2010 and the CFA Institute Investment Management Workshop at the Harvard Business School in 2006.

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



Gregory L. Domingo

Board of Directors



● Non-Independent ● Independent

Position	Name	No. of Years as Director
Chairman	Vicente S. Pérez Jr.	16
Director	Gerry P. Magbanua	16
Director	Eduardo Martinez Miranda	9
Director	Knud Hedeager	16
Director	Michael Lichtenfeld	11
Independent Director	Maria Theresa Dela Peña Marcial	1
Independent Director	Gregory L. Domingo	1

Advisers to the Board



Ephyro Luis B. Amatong

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

Maria Victoria España demonstrated exceptional leadership, serving as the Chief Operating Officer starting in 2009 and later assuming the role of Chair and CEO in 2011 until her retirement in June 2023. Her professional qualifications include certifications as a Certified Public Accountant, a Certified Management Accountant, and a Certified GRI Professional, underscoring her profound expertise in the field. Ms. España's journey began at P&A Grant Thornton in 1997, where she rapidly ascended to partnership in 1999, leaving an indelible mark on the organization. Complementing her academic achievements, she earned her Master's degree in Accountancy from the Polytechnic University of the Philippines and actively participated in numerous executive programs at prestigious institutions such as the Asian Institute of Management, Wharton Business School of the University of Pennsylvania, and the Said School of Business at Oxford University, cementing her legacy as a prominent figure in the accounting and management landscape.



Maria Victoria España

Board of Directors Expertise Matrix

Our skills matrix serves as a testament to the diverse expertise that is essential for steering our company to new horizons. From core competencies to critical domains, it's a showcase of our board's grasp of the energy industry's intricacies. We take a holistic approach, managing international relations and maintaining transparent stakeholder communication. The board's acumen in Public Office and Research and Development further empowers us to traverse intricate regulatory environments and spark innovation within our company. This matrix is a testament to our Board's readiness to guide Alternergy towards growth and ethical business practices in the industry.

Name	Gender	Type of Board Member	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Vicente S. Pérez Jr.	M	N																
Gerry P. Magbanua	M	N																
Knud Hedeager	M	N																
Eduardo Martinez Miranda	M	N																
Michael Lichtenfeld	M	N																
Maria Theresa Dela Peña Marcial	F	I																
Gregory L. Domingo	M	I																
Ephyro Luis B. Amatong	M	A																
Maria Victoria España	F	A																

N - Non-Independent I - Independent A - Adviser to the Board

Management Team

Position	Name	No. of Years in the Company
President	Gerry P. Magbanua	16
President and CEO, Alternergy Wind Holdings Corporation	Knud Hedeager	16
President and CEO, Solar Pacific Energy Corporation	Michael James Lichtenfeld	11
President and CEO, Alternergy Mini Hydro Holdings Corporation	Eduardo Martinez Miranda	9
Vice President and General Counsel	Janina C. Arriola	2
Chief Finance Officer and Chief Sustainability Officer	Maria Carmen G. Diaz	0
Vice President for Government Affairs	Annette M. Rafael	9
Treasurer	Luisito S. Pangilinan	15
Corporate Secretary	Anna Melissa R. Lichaytoo	2
Assistant Corporate Secretary	Sherleen Lourds R. Macatangay	2

- 1 Accounting and Auditing
- 2 Administration and Risk Management
- 3 Business Strategy
- 4 Corporate Governance
- 5 Economics and Finance
- 6 Energy
- 7 Sustainability
- 8 Ethics and Compliance
- 9 Global Affairs
- 10 Investor Relations
- 11 Public Affairs
- 12 Public Office/Public Servant
- 13 Research and Development
- 14 Regulatory and Legal Matters
- 15 Sales
- 16 Other Board of Directors' Experience

Management Team



Janina C. Arriola

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



Maria Carmen G. Diaz

Maria Carmen G. Diaz, an international commercial and development banker with 25 years of experience, was appointed CFO and Chief Sustainability Officer of Alternergy in June 2023. Ms. Diaz has vast hands-on experience in sustainable finance, risk management, development of sustainable finance banking products, risk assessment on Environment Social Governance (ESG), credit risk on debt and equity transactions, and investor relations. Ms. Diaz started her banking career as a Trust Credit Officer at Equitable PCI Bank. She then held various positions as Credit Risk Department Head at the French investment bank Calyon, as AVP for Corporate Banking at Mizuho, the Japanese commercial bank, and as Senior Risk Management Officer at ADB. Ms. Diaz's last position was with RCBC as Vice President and Sustainable Finance Officer under RCBC's Risk Management Group.



Annette M. Rafael

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



Luisito S. Pangilinan

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



Anna Melissa Rosario-Lichaytoo

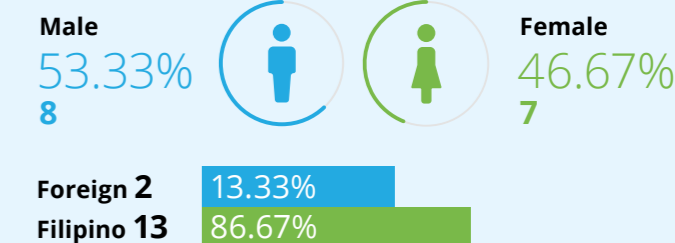
Anna Melissa Rosario-Lichaytoo is the Corporate Secretary of AHC since 2021. She is the Founding Partner and Managing Partner of Roxas de los Reyes Laurel Rosario & Gonzales Law Offices, established in 1996. Ms. Rosario-Lichaytoo has been engaged for more than 30 years in the general practice of corporate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



Sherleen Lourds R. Macatangay

Sherleen Lourds R. Macatangay serves as the Assistant Corporate Secretary of Alternergy, assuming the role in 2021. As a Senior Associate of Roxas de los Reyes Laurel Rosario & Gonzales Law Offices, she has been an active participant in the legal field since its establishment in 1996. Her expertise lies in the comprehensive practice of corporate law and estate settlement, with a specialized focus on various aspects such as the establishment of corporations and corporate vehicles, acquisitions, corporate governance, contract negotiations, and corporate restructuring. Ms. Macatangay's profound legal insights and multifaceted experience have contributed significantly to reinforcing AHC's legal framework and ensuring regulatory compliance.

Board and Senior Management Composition



Board Composition

The Board is composed of 15 members, where 7 members are women representing 46.67% of the total board. The presence of female directors underscores the board's dedication to fostering diversity and gender inclusivity, acknowledging the valuable contributions and distinctive insights that women bring to the decision-making process. This balanced gender representation within the board ensures a holistic approach to corporate governance, enabling the organization to consider a wide range of perspectives and address various concerns effectively.

	Board of Directors	Management Team
Members	7	10
Average Years	10	8
Nationalities Represented	3	2
Women	1	5

Corporate Governance

In pursuit of our commitment to uphold the tenets of good governance, the Board of Directors has established and appointed distinguished members to a series of specialized committees, each contributing uniquely to our governance framework. These committees play an instrumental role in reinforcing our commitment to transparency, accountability, and effectiveness, and they are vital components of our corporate governance structure.

Audit Committee

Our Audit Committee stands as the cornerstone of our robust governance framework, fortifying the Board's oversight capacity across critical areas, including financial reporting, internal control systems, and audit processes. Charged with establishing an Internal Audit function and appointing an independent external auditor, the committee ensures an unwavering commitment to compliance with pertinent laws and regulations. With unwavering dedication, the committee diligently monitors and evaluates the effectiveness of our internal control systems, ensuring the highest standards of financial integrity.

Board Risk Oversight Committee

The Board Risk Oversight Committee serves as the sentinel of our Enterprise Risk Management system, ensuring its resilience and efficacy in safeguarding our corporate trajectory. Comprising a team of three esteemed members, including the committee's chairperson, two of whom are independent directors, this committee plays a pivotal role in upholding the highest standards of risk management. By fostering a culture of proactive risk assessment and mitigation, the committee ensures the sustainable and secure evolution of our business operations.

Board Corporate Governance Committee

Entrusted with the responsibility of bolstering our corporate governance endeavors, the Corporate Governance Committee remains steadfast in supporting the Board in fulfilling its vital governance responsibilities. Tasked with a diverse array of functions, including those previously assigned to the nomination and remuneration committee, the committee, comprising three directors, including the chairperson, prioritizes the maintenance of the highest standards of governance. With commitment and meticulous attention to detail, this committee serves as a stalwart guardian of our governance

principles, ensuring transparency and accountability at every level of our operations.

Related Parties Transactions Committee

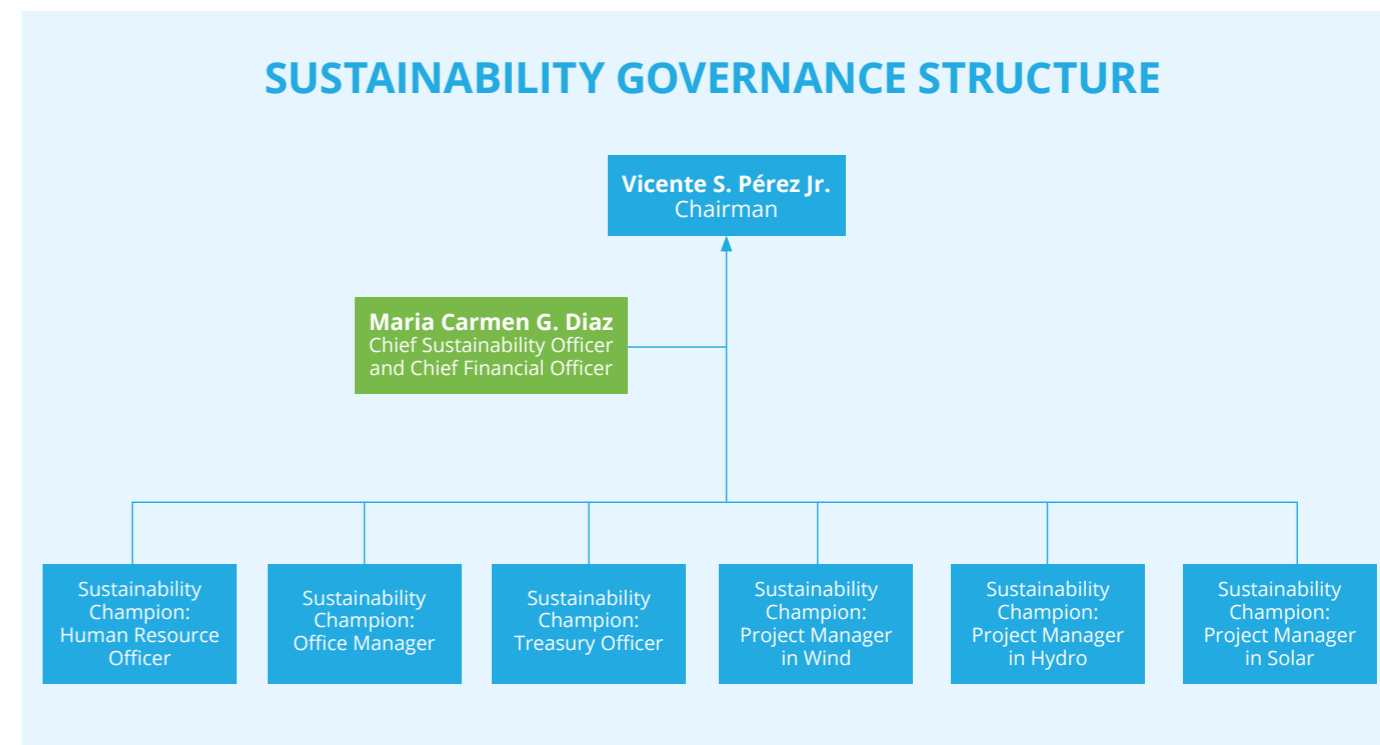
Our Related Parties Transactions Committee assumes the critical role of meticulously scrutinizing all significant transactions involving related parties within the company. Composed of three distinguished members, including the chairperson, two of whom are independent directors, this committee is entrusted with safeguarding the integrity of such transactions. By upholding the strictest ethical standards, the committee remains dedicated to fostering a culture of transparency and integrity within our business practices, thereby reinforcing our commitment to ethical conduct and responsible business operations.



The Sustainability Committee

From our guiding framework to our RE strategy, the comprehensive responsibilities in the three pillars of sustainability call for industry expertise and the best practices of good governance.

In July 2023, we established our Sustainability Committee responsible for developing, implementing, and managing key decisions related to the ESG (Environmental, Social, and Governance) issues of the Company and our renewable projects. This board is spearheaded by Chairman Vincent S. Pérez, Jr., vice-chaired by Chief Sustainability Officer Maria Carmen Diaz, and composed of seven Sustainability Champions from various verticals: Human Resource Treasury, Investment Relations, and three Project Managers from wind,



solar, and hydro technologies. The committee operates with a robust top-down approach. Leveraging their collective and diverse experiences, the committee remains resolute in crafting and implementing a sustainability roadmap that seamlessly aligns with Alternergy's overarching long-term strategic vision.

Company Policy

At Alternergy, our corporate governance is anchored in our commitment to transparency, accountability, and ethical conduct. One of the cornerstones of our governance framework is our company policies, which serve as guiding

principles that shape our operations and interactions. These policies provide the framework for responsible corporate behavior and ensure that we adhere to the highest standards of ethical conduct, and the creation of a safe and nurturing environment for our employees and stakeholders. Each policy is designed to not only guide our actions but to emphasize our pledge to uphold ethical values in all aspects of our operations.



At Alternergy, our corporate governance is anchored in our commitment to transparency, accountability, and ethical conduct.

Whistle-Blowing Policy

Our company's commitment to integrity and accountability is highlighted through its Whistle-Blowing Policy – where it helps encourage employees and external parties to report concerns related to corruption, fraud, and misconduct. Our policy emphasizes the importance of protecting whistle-blowers from harassment and retaliation and maintaining the confidentiality of their identities unless disclosure is necessary. The policy also encourages voluntary disclosure of information related to fraud and misconduct.

Conflict of Interest Policy

Alternergy values the significance of preventing conflicts between personal interests and the company's objectives. Our conflict-of-interest policy outlines specific regulations for disclosure and approval procedures in instances of conflict. Our policy prohibits associates from having a personal financial stake in transactions involving the company, and they should refrain from establishing business relationships with suppliers, clients, or competitors. Accepting gifts or favors from suppliers, clients, or competitors is strictly forbidden. Any failure to disclose conflicts will

result in penalties, underscoring our commitment to upholding these fundamental principles.

Insider Trading Policy

Our Insider Trading Policy serves as a stringent directive, explicitly prohibiting our associates and insiders from engaging in the trading of company securities while possessing material non-public information. We also strictly forbid the sharing of such information with others for the purpose of trading. Within the policy, we underscore the importance of treating any uncertainty about the significance of non-public information

as material, ensuring utmost caution on the internet and social media to prevent the dissemination of prohibited statements. This policy includes clear trading guidelines, encompassing trading blackouts, specific reporting requirements, and a firm commitment to transparency and adherence to all relevant laws and regulations.

Material-Related Party Transaction

In line with our dedication to openness and responsible resource utilization, Alternergy has implemented a comprehensive Group-wide policy for Material Related Party Transactions (MRPT). This policy is designed to ensure conformity with pertinent laws and regulations. It defines key terms such as "related parties," "substantial shareholders," and "associates," focusing on relationships that may have an impact on the Company. The policy differentiates between exempt and material MRPTs and establishes rigorous procedures for approval and reporting. Emphasizing the necessity of fair and unbiased terms in MRPTs, the policy emphasizes the non-involvement of directors and officers. It also underscores the significance of self-declaration and disclosure, as well as the need for regular self-assessment and policy review. The

Company remains committed to providing annual disclosures in its Integrated Annual Corporate Report (I-ACGR) and ensuring timely submission of Advisement Reports.

Sexual Harassment Policy

Alternergy Holdings Corporation has established comprehensive policies and procedures to combat sexual harassment in the workplace, as mandated by Republic Act No. 7877. Our company maintains a strong commitment to fostering a workplace environment that is devoid of sexual harassment, ensuring that all employees can perform their duties without the concern of unwelcome advances or inappropriate behavior. Our policy explicitly defines sexual harassment, lays out the necessary steps for managing complaints, and establishes a dedicated Committee on Decorum and Investigation. We prioritize the significance of confidentiality and provide assurance against any form of retaliation for individuals who come forward with reports of harassment. This policy is applicable to all employees, regardless of their employment status, including regular, probationary, or part-time staff, as well as individuals employed by our contractors. Any violations of

this policy will be met with disciplinary measures, including the possibility of termination of employment.

Health and Wellness

At Alternergy, we prioritize the continuous learning and development of our employees, aiming to equip them with the necessary skills for their present roles and future career growth. To identify these learning needs, we conduct an annual Training Needs Analysis (TNA) in conjunction with performance evaluations, leading to customized programs that can be facilitated internally or through external resources. All training requests strictly adhere to our company policies and procedures. Furthermore, we retain the right to implement certain conditions, such as Training Bonds, to ensure a positive return on our investment. Additionally, we prioritize the well-being of our employees, mandating yearly physical examinations for all regular staff and actively participating in government initiatives promoting drug-free workplaces, HIV and AIDS prevention, Hepatitis B awareness, and tuberculosis treatment through the TB-DOTS Package.

Anti-Corruption

Our commitment at Alternergy lies in maintaining the highest standards of internal procedures and adhering to all relevant laws and regulations, both within the Philippines and in the regions where we operate. Given the intricate regulatory framework of the Philippine energy market, we diligently secure several crucial permits from the Department of Energy (DOE)

and other regulatory bodies. These permits, which encompass Service Contracts, Environmental Compliance Certificates (ECCs), Certificates of Non-Coverage (CNCs), Local Government Unit (LGU) Permits, Land Use Conversion Permits, and Certificates of Grid Impact Study (CGIS), serve as the cornerstone of our commitment to transparent operations and ethical practices in all our renewable energy endeavors.

Disclosure and Transparency

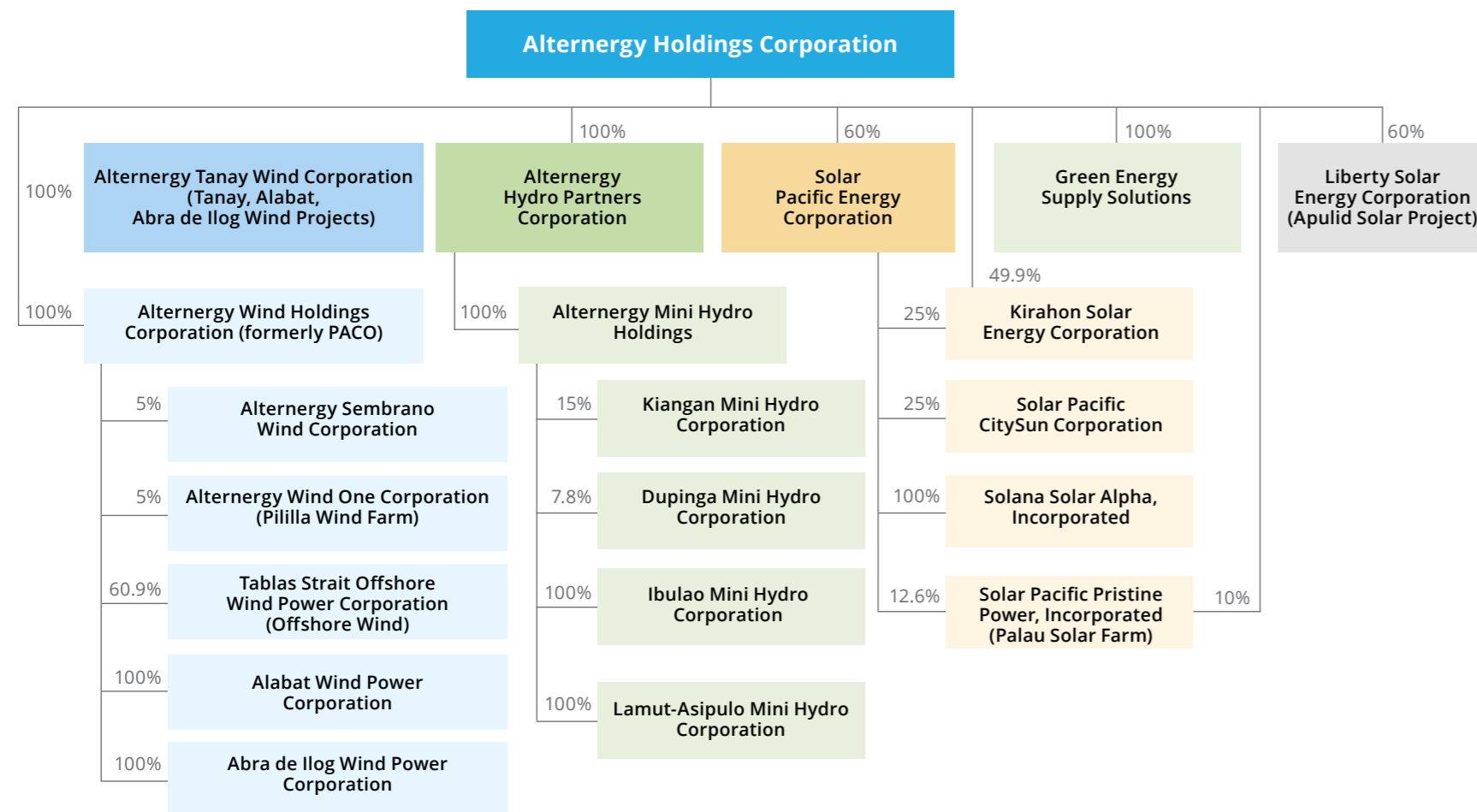
Alternergy's commitment to transparency is ingrained in every facet of our operations. We recognize that timely and accurate information is the cornerstone of trust and credibility with our stakeholders. To this end, we have instituted measures to ensure that all our stakeholders have access to comprehensive and up-to-date information about our business.

Our website stands as a place for transparent communication for our policies, reports, programs, and significant developments. This allows

stakeholders to delve into the heart of our corporate ethos and understand the principles that guide our decision-making and operational strategies.

We firmly believe that an informed stakeholder community is crucial for fostering enduring partnerships built on mutual understanding and trust. By upholding the highest standards of disclosure, we empower our stakeholders to make well-informed decisions that align with their values and objectives. Alternergy remains committed to the principle of transparency, recognizing its pivotal role in strengthening our relationships and fueling sustainable growth.

Corporate Structure



Note: Corporate Structure includes only companies with active projects

List of Membership Associations

Membership Associations

We are part of major RE, business and management associations where our participation benefits the collective vision for the Philippines' energy transition. Likewise, our membership provides several benefits to our business growth, such as access to industry-specific resources, networking opportunities, roundtable discussions, and professional development programs.

Developers of Renewable Energy for Advancement, Inc. (DREAM)	An alliance of all renewable energy developers' associations in the Philippines.
Philippine Hydro Association (Philhydro)*	A non-profit organization aimed to promote the development of hydropower in the Philippines.
Wind Energy Developers Association of the Philippines (WEDAP)*	A non-profit organization aimed to promote the development of wind energy in the Philippines.
Philippine Solar and Storage Energy Alliance (PSSEA)*	A non-profit organization aimed to promote the development of solar and energy storage technologies in the Philippines.
Management Association of the Philippines (MAP)	A management organization founded in 1950 with more than 1,000 members representing a cross section of CEOs, COOs and other top management practitioners from the largest local and multinational companies operating in the Philippines with a main objective of promoting management excellence for nation building.
Makati Business Club (MBC)	A private non-profit business association founded in 1981 to promote the role of the business sector in national development efforts.

*NOTE: Philhydro, WEDAP, and PSSEA are NGOs composed of members from various sectors, including government agencies, private companies, academic institutions, and non-governmental organizations



ALTERENERGY HOLDINGS CORPORATION

Statement of Management's Responsibility for Consolidated Financial Statements

The management of **Alternergy Holdings Corporation** (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein as of June 30, 2023 and 2022, and for the year ended June 30, 2023, six-month period ended June 30, 2022, and year ended December 31, 2021 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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


Vicente S. Pérez Jr.
Chairman


Gerry P. Maganua
President


Luisito S. Pangilinan
Treasurer

ALTERENERGY HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2023	June 30, 2022 (As restated, Note 13)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 7)	₱1,238,986,852	₱581,598,605
Trade and other receivables (Note 8)	82,975,571	19,254,442
Due from related parties (Note 20)	129,588,414	150,959,940
Prepayments and other current assets (Note 9)	117,433,640	61,721,840
Total Current Assets	1,568,984,477	813,534,827
Noncurrent Assets		
Property, plant and equipment (Note 10)	1,021,115,316	1,049,479,865
Contract asset (Note 34)	1,165,145,627	574,883,490
Investments in and advances to associates and joint ventures (Note 11)	182,263,093	150,792,648
Intangible assets (Notes 12 and 13)	854,678,971	784,629,368
Right-of-use asset (Note 25)	51,338,446	59,345,077
Other noncurrent assets (Note 15)	30,712,866	15,881,815
Total Noncurrent Assets	3,305,254,319	2,635,012,263
TOTAL ASSETS	₱4,874,238,796	₱3,448,547,090

LIABILITIES AND EQUITY

Current Liabilities		
Short-term loan (Note 17)	₱249,172,856	₱92,650,373
Current portions of:		
Long-term debt (Note 18)	82,566,864	57,810,359
Lease liability (Note 25)	3,428,463	2,883,913
Accounts payable and accrued expenses (Note 16)	73,163,810	108,261,437
Payable to a subsidiary's former shareholder (Note 13)	-	279,771,496

	June 30, 2023	June 30, 2022 (As restated, Note 13)
Advances from a third party (Note 16)	214,000,000	214,000,000
Dividend payable (Note 14)	3,750,000	18,750,000
Due to related parties (Notes 13 and 20)	3,249,042	194,495,338
Income tax payable	5,415,453	798,726
Total Current Liabilities	634,746,488	969,421,642
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 18)	1,438,732,743	1,248,824,823
Lease liability - net of current portion (Note 25)	46,935,956	47,035,794
Asset retirement obligation (Note 26)	5,101,699	14,445,032
Deferred tax liabilities - net (Note 27)	23,732,208	24,100,055
Retirement benefit obligation	815,171	-
Total Noncurrent Liabilities	1,515,317,777	1,334,405,704
Total Liabilities	2,150,064,265	2,303,827,346
Equity		
Capital stock (Note 19)	₱430,423,912	₱36,349
Additional paid-in capital (Note 19)	1,643,742,189	440,865,245
Deposit for future stock subscription (Note 19)	-	297,879,779
Share in remeasurement loss on retirement benefit obligation of an associate (Note 11)	(15,557)	(15,557)
Cumulative translation adjustment (Note 2)	4,110,513	3,307,045
Equity reserve (Note 14)	3,435,427	13,018,406
Deficit	(568,660)	(227,209,427)
Equity Attributable to Equity Holders of the Parent Company	2,081,127,824	527,881,840
Non-controlling Interests	643,046,707	616,837,904
Total Equity	2,724,174,531	1,144,719,744
TOTAL LIABILITIES AND EQUITY	₱4,874,238,796	₱3,448,547,090

See accompanying Notes to Consolidated Financial Statements.

ALTERENERGY HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended June 30, 2023	Six-Month Period Ended June 30, 2022 (As restated, Note 13)	Year Ended December 31, 2021
REVENUE FROM SALE OF ELECTRICITY (Note 34)	₱171,484,044	₱9,330,967	₱–
COST OF SALE OF ELECTRICITY (Note 21)	60,064,752	3,373,619	–
GROSS PROFIT	111,419,292	5,957,348	–
EQUITY IN NET EARNINGS OF ASSOCIATES (Note 11)	21,938,643	16,435,855	35,961,849
GENERAL AND ADMINISTRATIVE EXPENSES (Note 22)	52,534,709	53,238,196	54,117,456
OTHER INCOME (CHARGES)			
Construction revenue (Notes 34 and 36)	782,674,637	574,883,490	–
Construction costs (Notes 34 and 36)	(782,674,637)	(574,883,490)	–
Finance costs (Notes 17, 18 and 26)	(88,019,114)	(11,684,885)	(17,871,124)
Project cost recovery (Note 24)	40,927,384	36,586,861	133,612,997
Interest income (Notes 7 and 9)	8,594,377	442,174	66,503
Advisory fees (Note 20)	3,090,000	3,416,667	6,600,000
Net foreign exchange gains (losses)	1,844,586	9,098,059	8,270,984
Day 1 gain on short-term loan (see Note 17)	–	1,599,627	3,172,105
Restructuring related charges - net (Notes 11, 13 and 23)	229,400	(159,752,032)	2,099,138
	(33,333,367)	(120,293,529)	135,950,603

	Year Ended June 30, 2023	Six-Month Period Ended June 30, 2022 (As restated, Note 13)	Year Ended December 31, 2021
INCOME (LOSS) BEFORE INCOME TAX	47,489,859	(151,138,522)	117,794,996
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 27)	9,468,683	(5,961,067)	5,026,914
NET INCOME (LOSS)	38,021,176	(145,177,455)	112,768,082
OTHER COMPREHENSIVE INCOME <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Cumulative translation adjustment (Note 2)	3,438,053	19,992,187	20,301
TOTAL COMPREHENSIVE INCOME (LOSS)	₱41,459,229	(₱125,185,268)	₱112,788,383
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:			
Equity holders of the Parent Company	(₱17,875,826)	(₱140,965,053)	₱113,998,605
Non-controlling interests	59,335,055	15,779,785	(1,210,222)
	₱41,459,229	(₱125,185,268)	₱112,788,383
Basic/Diluted Earnings (Loss) per Share (Note 28)	(₱0.01)	(₱695)	₱594

See accompanying Notes to Consolidated Financial Statements.



ALTERENERGY HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2023, SIX-MONTH PERIOD ENDED JUNE 30, 2022 AND YEAR ENDED DECEMBER 31, 2021

	Capital Stock		Additional Paid-in Capital	Deposit for Future Stock Subscription	Share in Re- measurement Loss on Retirement Benefit Obligation of an Associate	Cumulative Translation Adjustment	Equity Reserve	Deficit	Equity Attributable to Equity Holders of the Parent Company	Non- controlling Interests	Total
	Preferred	Common									
At July 1, 2022, as previously reported	₱15,000	₱21,349	₱440,865,245	₱297,879,779	(₱15,557)	₱3,307,045	₱13,018,406	(₱240,277,656)	₱514,813,611	₱463,461,426	₱978,275,037
Adjustments (Note 13)	–	–	–	–	–	–	–	13,068,229	13,068,229	153,376,478	166,444,707
At July 1, 2022, as restated	15,000	21,349	440,865,245	297,879,779	(15,557)	3,307,045	13,018,406	(227,209,427)	527,881,840	616,837,904	1,144,719,744
Total comprehensive income (loss)	–	–	–	–	–	803,468	–	(18,679,294)	(17,875,826)	59,335,055	41,459,229
Issuance of new shares (Note 19)	37,024,864	393,362,699	1,521,086,681	(297,172,143)	–	–	–	–	1,654,302,101	–	1,636,726,790
Share-issuance costs	–	–	(72,889,676)	–	–	–	–	–	(72,889,676)	–	(55,314,375)
Quasi-reorganization (Note 19)	–	–	(245,320,061)	–	–	–	–	245,320,061	–	–	–
Dividend to non-controlling interests	–	–	–	–	–	–	–	–	–	(8,750,000)	(8,750,000)
Return of deposit for future stock subscription	–	–	–	(707,636)	–	–	–	–	(707,636)	–	(707,636)
Changes in non-controlling interests (Note 14)	–	–	–	–	–	–	(9,582,979)	–	(9,582,979)	(24,376,252)	(33,959,231)
At June 30, 2023	₱37,039,864	₱393,384,048	₱1,643,742,189	₱–	(₱15,557)	₱4,110,513	₱3,435,427	(₱568,660)	₱2,081,127,824	₱643,046,707	₱2,724,174,531

	Capital Stock		Additional Paid-in Capital	Deposit for Future Stock Subscription	Share in Re- measurement Loss on Retirement Benefit Obligation of an Associate	Cumulative Translation Adjustment	Equity Reserve	Deficit	Equity Attributable to Equity Holders of the Parent Company	Non- controlling Interests	Total
	Preferred	Common									
At January 1, 2022	₱15,000	₱19,203	₱440,865,245	₱–	(₱15,557)	(₱11,255)	₱–	(₱82,926,074)	₱357,946,562	₱51,219,504	₱409,166,066
Total comprehensive income (loss), as previously reported	–	–	–	–	–	3,318,300	–	(157,351,582)	(154,033,282)	15,918,124	(138,115,158)
Adjustments (Note 13)	–	–	–	–	–	–	–	13,068,229	13,068,229	(138,339)	12,929,890
Total comprehensive income (loss), as restated	–	–	–	–	–	3,318,300	–	(144,283,353)	(140,965,053)	15,779,785	(125,185,268)
Issuance of new shares (Note 19)	–	2,146	–	–	–	–	–	–	2,146	–	2,146
Deposit for future stock subscription (Note 20)	–	–	–	297,879,779	–	–	–	–	297,879,779	–	297,879,779
Change in non-controlling interests:											
Issuance of new shares of a subsidiary (Note 14)	–	–	–	–	–	–	13,018,406	–	13,018,406	286,667,594	299,686,000
Step acquisition to a subsidiary, as previously reported (Notes 11 and 13)	–	–	–	–	–	–	–	–	–	106,590,649	106,590,649
Adjustments (Note 11)	–	–	–	–	–	–	–	–	–	153,514,817	153,514,817
Step acquisition to a subsidiary, as restated	–	–	–	–	–	–	–	–	–	260,105,466	260,105,466
Disposal of subsidiaries (Note 13)	–	–	–	–	–	–	–	–	–	3,065,555	3,065,555
At June 30, 2022	₱15,000	₱21,349	₱440,865,245	₱297,879,779	(₱15,557)	₱3,307,045	₱13,018,406	(₱227,209,427)	₱527,881,840	₱616,837,904	₱1,144,719,744
At January 1, 2021	₱15,000	₱19,203	₱440,865,245	₱–	(₱15,557)	(₱21,608)	₱–	(₱196,914,326)	₱243,947,957	₱52,429,726	₱296,377,683
Total comprehensive income	–	–	–	–	–	10,353	–	113,988,252	113,998,605	(1,210,222)	112,788,383
At December 31, 2021	₱15,000	₱19,203	₱440,865,245	₱–	(₱15,557)	(₱11,255)	₱–	(₱82,926,074)	₱357,946,562	₱51,219,504	₱409,166,066

See accompanying Notes to Consolidated Financial Statements.



ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended June 30, 2023	Six-Month Period Ended June 30, 2022 (As restated, Note 13)	Year Ended December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	₱47,489,859	(₱151,138,522)	₱117,794,996
Adjustments for:			
Finance costs (Notes 17, 18, 24 and 25)	88,019,114	11,684,885	17,871,124
Depreciation and amortization (Notes 10, 21 and 24)	44,367,279	3,030,875	458,775
Equity in net earnings of associates (Note 14)	(21,938,643)	(16,435,855)	(35,961,849)
Interest income (Notes 7 and 9)	(8,594,377)	(442,174)	(66,503)
Provision for impairment losses (Note 21)	5,815,570	1,230,055	2,894,844
Retirement benefit expense	815,171	-	-
Restructuring related charges - net (Note 22)	229,400	159,752,032	(2,099,138)
Net unrealized foreign exchange losses (gains)	187,623	(6,500,174)	976,466
Day 1 gain on short-term loan (Note 17)	-	(1,599,627)	(3,172,105)
Loss on disposal of property, plant and equipment (Note 10)	-	-	31,101
Income (loss) before working capital changes	156,390,996	(418,505)	98,727,711
Decrease (increase) in:			
Trade and other receivables (Note 8)	(63,721,129)	(10,495,250)	897,803
Prepayments and other current assets (Notes 9 and 13)	(55,711,800)	2,352,262	10,411,587
Other noncurrent assets (Notes 13 and 15)	(19,002,856)	(6,838,006)	(1,793,284)
Increase (decrease) in accounts payable and accrued expenses (Notes 13 and 16)	(52,060,024)	34,874,584	(7,312,376)
Net change in accounts with related parties (Notes 13 and 20)	(169,874,770)	(46,416,546)	104,282,591
Cash generated from (used in) operations	(203,979,583)	(26,941,461)	205,214,032
Income tax paid	(5,219,803)	(1,349,228)	(87,453)
Interest received	8,594,377	313,864	66,503
Net cash flows from (used in) operating activities	(200,605,009)	(27,976,825)	205,193,082

CASH FLOWS FROM INVESTING ACTIVITIES

	Year Ended June 30, 2023	Six-Month Period Ended June 30, 2022 (As restated, Note 13)	Year Ended December 31, 2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Contract asset (Notes 33 and 35)	(735,090,898)	(574,883,490)	-
Project development costs (Note 12)	(84,857,209)	(58,432,419)	(53,755,173)
Investments in and advances to associates (Note 11)	(13,281,802)	(40,009,761)	(201,444)
Property, plant and equipment (Notes 10 and 13)	(2,005,194)	(221,007)	(1,853,386)
Computer software	(1,643,765)	-	-
Payment to former shareholder of acquired subsidiary (Note 13)	(279,771,496)	-	-
Proceeds from:			
Government grant (Note 34)	194,347,628	-	-
Redemption of preferred shares of an associate (Note 11)	-	-	7,723,166
Acquisition of non-controlling interest (Note 14)	(35,243,536)	-	-
Cash dividends received (Note 11)	3,750,000	-	16,269,500
Net cash inflow (outflow) from:			
Acquisition of a subsidiary (Note 13)	396,791	79,260,546	-
Deconsolidated subsidiaries (Note 13)	-	62,679	(149,082)
Net cash flows used in investing activities	(953,399,481)	(594,223,452)	(31,966,419)

(Forward)



	Year Ended June 30, 2023	Six-Month Period Ended June 30, 2022 (As restated, Note 13)	Year Ended December 31, 2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Issuance of shares	₱1,654,302,101	₱–	₱–
Long-term debt (Note 18)	496,800,000	577,365,000	₱150,000,000
Short-term loan (Note 17)	250,000,000	–	–
Issuance of shares by a subsidiary to non-controlling interest (Note 14)	–	299,686,000	–
Advances from a third party (Note 14)	–	214,000,000	–
Deposit for future stock subscription (Note 19)	–	37,732,500	–
Issuance of shares to parent equity holder	–	2,146	–
Payments of:			
Long-term debt (Note 18)	(291,420,625)	–	(97,517,993)
Interests (Notes 17, 18 and 34)	(103,014,882)	(4,592,224)	(31,862,053)
Short-term loans (Note 17)	(94,250,000)	–	(140,000,000)
Share issuance costs (Note 19)	(72,889,676)	–	–
Dividends (Note 14)	(23,750,000)	–	–
Deferred financing charges (Note 18)	(1,870,064)	(32,668,315)	(1,526,520)
Lease liability (Note 24)	(3,091,200)	–	(378,953)
Net cash flows from (used in) financing activities	1,810,815,654	1,091,525,107	(121,285,519)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	577,083	18,695,757	(19,059)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	657,388,247	488,020,587	51,922,085
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD (Note 7)	581,598,605	93,578,018	41,655,933
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 7)	₱1,238,986,852	₱581,598,605	₱93,578,018

See accompanying Notes to Consolidated Financial Statements.

CORPORATE INFORMATION

Stockholders Inquiries

Annual Stockholders' Meeting

December 13, 2023 or every second Wednesday of December

Stock Listing

Alternergy is listed in the Philippine Stock Exchange, Inc. ("PSE") under the stock symbol "ALTER".

Number of Shares of Common Stock

3,933,840,480 Shares for the fiscal year ending June 30, 2023

Shareholders

The number of common shareholders of record as of June 30, 2023 was 3,252 shareholders

Major Shareholder

Vespers Holdings Corporation with 40.36% shareholder stake
Nationality: Filipino

Alternergy welcomes inquiries from analysts, the financial community, institutional and retail investors, media and the general public.

Please contact:

Investor Relations

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The 2023 Integrated Report and the Sustainability Report are intended to be distributed digitally.

The Sustainability Report is in accordance with the requirements of the 2021 Global Reporting Initiative (GRI) Standards and the Securities and Exchange Commission (SEC) Memorandum Circular No. 4 Series of 2019, Sustainability Reporting Guidelines for Publicly Listed Companies.

To view or download the complete Sustainability Report, visit our website or scan the QR code below:





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