May 13, 2022

via electronic mail
SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City, 1307

ATTENTION : **DIR. VICENTE GRACIANO P. FELIZMENIO JR.**
Markets and Securities Regulation Department

via PSE EDGE
PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 28th Street, cor. 5th Avenue
Bonifacio Global City, Taguig City

ATTENTION : **MS. ALEXANDRA D. TOM WONG**
Officer-in-Charge, Disclosure Department

via electronic mail
PHILIPPINE DEALING & EXCHANGE CORP.
Market Regulatory Services Group
29th Floor BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

ATTENTION : **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
Head – Issuer Compliance and Disclosure Department

Gentlemen:

Please see enclosed SEC Form 17-Q (1st Quarterly Report 2022) of Aboitiz Power Corporation.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION
By:

MANUEL ALBERTO R. COLAYCO
Corporate Secretary[FCA]

COVER SHEET

C 1 9 9 8 0 0 1 3 4

S.E.C. Registration Number

A B O I T I Z P O W E R C O R P O R A T I O N

(Company's Full Name)

3 2 N D S T R E E T , B O N I F A C I O G L O B A L

C I T Y , T A G U I G C I T Y , M E T R O M A N I L A

P H I L I P P I N E S

(Business Address: No. Street City / Town / Province)

MANUEL ALBERTO R. COLAYCO

Contact Person

(02) 8-886-2338

Company Telephone Number

1 2 3 1

Month *Day*

Fiscal Year

1st Quarterly Report 2022

1 7 - Q

FORM TYPE

4th Monday of April

0 4 2 5

Month *Day*

Annual Meeting

Secondary License Type, if Applicable

S E C

Dept. Requiring this Doc

Amended Articles Number/Section

Total No. of Stockholders

x

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2022**

2. Commission identification number **C199800134** 3.BIR Tax Identification No. **200-652-460-000**

4. Exact name of issuer as specified in its charter

   ABOITIZ POWER CORPORATION

5. Province, country or other jurisdiction of incorporation or organization

   Philippines

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

   32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines 1634

8. Issuer's telephone number, including area code

   (02) 8 886-2800

9. Former name, former address and former fiscal year, if changed since last report

   N/A

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of March 31, 2022)
Common Stock ₱1 Par Value	**7,358,604,307**
Amount of Debt Outstanding	**₱238,879,649,000.00**

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

    Yes [**x**] No [ ]

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

    Philippine Stock Exchange **Common**

12. Indicate by check mark whether the registrant:

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

      Yes [**x**] No [ ]

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

      Yes [**x**] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to the financial statements and schedules attached herewith.

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

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of Aboitiz Power Corporation's (AboitizPower, Parent, or the "Company") consolidated financial condition and results of operations should be read in conjunction with the consolidated financial statements and accompanying schedules and disclosures set forth elsewhere in this report.

Top Five Key Performance Indicators

Management uses the following indicators to evaluate the performance of the Company and its subsidiaries (the Company and its subsidiaries are hereinafter collectively referred to as the "Group"):

1. **Share in Net Earnings of Associates and Joint Ventures.** This represents the Group's share in the undistributed earnings or losses of its investees for each reporting period subsequent to the acquisition of said investment, net of goodwill impairment cost, if any. It also indicates the profitability of the investment and investees' contribution to the Group's net income.

   Goodwill is the difference between the purchase price of an investment and the investor's share in the value of the net identifiable assets of the investee at the date of acquisition.

   Manner of Computation:
   Investee's Net Income (Loss) x Investor's % ownership - Goodwill Impairment Cost

2. **Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA).** The Company computes EBITDA as earnings before extraordinary items, net finance expense, income tax provision, depreciation, and amortization. It provides management and investors with a tool for determining the ability of the Group to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the Group's ability to service its debts.

3. **Cash Flow Generated.** Using the Consolidated Statement of Cash Flows, management determines the sources and usage of funds for the period and analyzes how the Group manages its profit and uses its internal and external sources of capital. This aids management in identifying the impact on cash flow when the Group's activities are in a state of growth or decline, and in evaluating management's efforts to control the impact.

4. **Current Ratio.** Current Ratio is a measurement of liquidity, calculated by dividing total current assets by total current liabilities. It is an indicator of the Group's short-term debt-paying ability. The higher the ratio, the more liquid the Group.

5. **Debt–to–Equity Ratio.** Debt-to-Equity Ratio indicates how leveraged the Group is. It compares assets provided by creditors to assets provided by shareholders. It is determined by dividing total liabilities by stockholders' equity.

Three-Month Period Ended March 31, 2022 versus Three-Month Period Ended March 31, 2021

The table below shows the comparative figures of the key performance indicators for the three-month periods ended March 31, 2022 and March 31, 2021, as well a comparison with the figures as of December 31, 2021:

Key Performance Indicators	March 31, 2022 (INTERIM)	March 31, 2021	December 31, 2021
Amounts in thousands of ₱s, except for financial ratios			
SHARE IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	1,227,620	3,809,104	9,479,696
EBITDA	9,886,191	13,812,141	50,661,619
CASH FLOW GENERATED:			
Net cash flows from operating activities	8,389,638	10,943,901	36,327,039
Net cash flows used in investing activities	(291,439)	3,125,034	1,018,172
Net cash flows used in financing activities	(11,668,697)	(5,951,855)	(19,103,664)
Net (Decrease)/Increase in Cash & Cash Equivalents	(3,570,498)	8,117,087	18,241,547
Cash & Cash Equivalents, Beginning	57,130,243	38,699,545	38,699,545
Cash & Cash Equivalents, End	53,613,883	46,938,222	57,130,243
CURRENT RATIO	1.57		1.53
DEBT-TO-EQUITY RATIO	1.80		1.75

- Share in net earnings in associates and joint ventures for the first quarter 2022 decreased by 68% compared to the first quarter of 2021. The decrease was mainly due to lower water inflows for SN Aboitiz Power-Magat and SN Aboitiz Power-Benguet. The first quarter of 2021 also included a one-time recognition of a claim for liquidated damages caused by the delay in the construction of the power plant of GN Power Dinginin (GNPD).

- EBITDA for the first quarter of 2022 decreased by 28%. This was primarily because the Company's EBITDA for the same period in 2021 included liquidated damages (LD) for the delay in the construction of GNPD and business interruption (BI) claims for the GNPower Mariveles Energy Center Ltd. Co. (GMEC) plant outages. The Company was also hit during the first quarter of 2022 with outages related to Typhoon Odette and had to advance planned outages in anticipation of the 2022 national elections.

- For the first quarter ended 2022, cash and cash equivalents decreased by ₱3.52 billion (bn). This was mainly due to payment of dividends, regular repayments of loans and leases which were partly offset by the Parent's retail bond issuance in March 2022.

- Current Ratio as of March 31, 2022 was at 1.57x as compared to 1.53x as of December 31, 2021. The increase was primarily due to the recognition of higher derivative assets due to gain on fuel hedges.

- Debt-to-Equity Ratio as of March 31, 2022 was at 1.80x, higher than the 1.75x recorded at the end of 2021.

Results of Operations

Net income for the first quarter of 2022 was ₱2.89 bn, which was 53% lower than the ₱6.18 bn reported during the same period in 2021. This translated to earnings per share of ₱0.39 for the period. The Company also recognized non-recurring losses of ₱22 million (mn) during the period, primarily due to the revaluation of dollar denominated liabilities, compared to the ₱29 mn in non-recurring losses from the revaluation of dollar denominated liabilities recorded during the same period in 2021. Without these one-off losses, core net income for the first quarter of 2022 was ₱2.90 bn, 53% lower year on-year (YoY). This was primarily because the Company's core net income for the same period in 2021 included LD for the delay in the construction of GNPD and BI claims for the GMEC plant outages. The Company was also hit during the first quarter of 2022 with outages related to Typhoon Odette and had to advance planned outages in anticipation of the country's 2022 national elections. If the Company excludes the impact of the LD and BI claims, Typhoon Odette, and the advanced planned outages, the first quarter of 2022 would have resulted in only a 4% decline in consolidated net income compared to the same period in 2021.

Power Generation and Retail Electricity Supply (RES)

AboitizPower's generation and retail supply business recorded EBITDA of ₱8.8 bn during the first quarter of 2022, 26% lower than the ₱11.9 bn recorded during the corresponding period in 2021. This was primarily due to recognition during the same period last year of the liquidated damages for the delay in the construction of GNPD and business interruption claims for GMEC's outages. Capacity sold in the first quarter of 2022 slightly decreased by 1% to 3,534 megawatts (MW), compared to 3,558 MW for the same period in 2021. Energy sold decreased by 1% to 6,055 gigawatt-hours (GWh) for the first three months of 2022, compared to 6,130 GWh for the same period in 2021.

Power Distribution

During the first quarter of 2022, AboitizPower's distribution business recorded EBITDA of ₱1.3 bn, 39% lower than the ₱2.1 bn recorded during the first quarter of 2021. Energy sales slightly decreased by 1% to 1,298 GWh for the first quarter of 2022, compared to 1,308 GWh for the same period in 2021. Energy sales from the Residential customer segment decreased due to lower consumption because of Typhoon Odette and the cooler weather during the first three months of 2022.

Material Changes in Line Items of Registrant's Statements of Income and Comprehensive Income

Consolidated Statements of Income

Net income attributable to equity holders of the Parent Company decreased by ₱3.29 bn, or 53% YoY. The various movements in line items are shown below to account for the decrease:

(Amounts in thousands of ₱s)

Net Income Attributable to Equity Holders of the Parent (January - March 2021)	**₱6,176,519**
Increase in operating revenues	9,028,401
Increase in operating expenses	(9,855,110)
Increase in interest income	11,822
Decrease in interest expense	60,201
Decrease in share in net earnings of associates and joint ventures	(2,581,484)
Decrease in other income	(695,372)
Decrease in provision for taxes	341,312
Decrease in income attributable to non-controlling interests	399,838
Total	(3,290,392)
Net Income Attributable to Equity Holders of the Parent (January - March 2022)	**₱2,886,127**

Operating Revenues
(34% increase from ₱26.85 bn to ₱35.88 bn)

The increase in operating revenues was primarily due to higher sales from retail electricity and higher WESM dispatch in compliance with the must offer rule.

Operating Expenses
(49% increase from ₱19.98 bn to ₱29.84 bn)

The increase in operating expenses was mainly due to the higher cost of purchased power and of generated power.

Interest Income
(13% increase from ₱88.00 mn to ₱100.00 mn)

The increase in interest income during the first quarter 2022 compared to first quarter 2021 was primarily due to higher interest rates on money market placements.

Interest Expense and other financing costs
(2% decrease from ₱3.56 bn to ₱3.50 bn)

Interest expense decreased during the first quarter 2022 compared to the same period in 2021 due to lower interest accretion on lease liabilities as timely payments were made on TLI's obligation to Power Sector Assets and Liabilities Management Corporation (PSALM).

Share in Net Earnings of Associates and Joint Ventures
(68% decrease from ₱3.81 bn to ₱1.23 bn)

Share in net earnings in associates and joint ventures for the first quarter 2022 decreased by 68% compared to first quarter 2021. The decrease was mainly due to lower water inflows for SN Aboitiz Power-Magat and SN Aboitiz Power-Benguet. The first quarter of 2021 also included the recognition of liquidated damages for the delay in the construction of GNPD's Units 1 and 2.

Other Income (Expenses) – net
(621% decrease from ₱112.00 mn to ₱583.00 mn other income)

The decrease in net other income (expenses) during the first quarter of 2022 compared to first quarter 2021 was mainly due to the losses on the revaluation of foreign-currency denominated liabilities and the recognition during the same period in 2021 of the BI claims for the GMEC plant outages.

Provision for Taxes
(47% decrease from ₱729.00 mn to ₱388.00 mn)

The decrease in provision for taxes was due to lower earnings subject to income tax during the first quarter 2022.

Changes in Registrant's Resources, Liabilities and Shareholders' Equity

Assets

Total assets (as of March 31, 2022 compared to December 31, 2021) increased by ₱2.89 bn, or 1%. The major movements of the accounts leading to the increase were as follows:

i) Cash and cash equivalents decreased by ₱3.52 bn, or 6% (from ₱57.13 bn to ₱53.61 bn). This was mainly due to payment of dividends, regular repayments of loans and leases which were partly offset by the Parent's retail bond issuance in March 2022.

ii) Trade and other receivables increased by ₱1.84 bn, or 7% (from ₱26.82 bn to ₱28.66 bn), primarily due to higher revenues.

iii) Inventories increased by ₱1.32 bn or 14% (from ₱9.57 bn to ₱10.89 bn). This was mainly driven by the increase in spare parts, supplies and fuel inventory.

iv) Other current assets decreased by ₱2.13 bn, or 22% (from ₱9.51 bn to ₱7.38 bn). This was mainly driven by TVI's utilization of restricted cash in accordance with its loan agreement.

v) Deferred income tax assets increased by ₱68.00 mn, or 5% (from ₱1.44 bn to ₱1.51 bn). This was mainly due to the adjustment of TVI's deferred tax on NOLCO.

vi) Other noncurrent assets decreased by ₱867.00 mn, or 12% (from ₱7.18 bn to ₱6.32 bn). This was mainly due to the regular reduction in PSALM deferred adjustment of the Power Distribution group and partial collection of TVI's Advances to NGCP.

Liabilities

Compared to December 31, 2021, total liabilities as of March 31, 2022 increased by ₱4.59 bn, or 2%. The major movements of accounts leading to the increase were as follows:

i) Short-term loans decreased by ₱694.00 mn, or 4% (from ₱18.63 bn to ₱17.93 bn). This was mainly due to loan payments by the Group during the first quarter of 2022 which were used for working capital purposes.

ii) Income tax payable increased by ₱574.00 mn, or 217% (from ₱265.00 mn to ₱838.00 mn). This was mainly due to the timing of payment of income taxes. Income tax payable as of December 31, 2021 were due in April 2022 i and the income taxes recognized in the first quarter of 2022 are due in May 2022.

iii) Long-term debt (current and non-current portions) increased by ₱6.75 bn (from ₱182.04 bn to ₱188.79 bn). This was mainly due to Parent's retail bond issuance in March 2022.

iv) Lease liabilities (current and noncurrent portions) decreased by ₱1.61 bn (from ₱33.77 bn to ₱32.16 bn), as TLI made timely payments during 2022 of its obligation to Power Sector Assets and Liabilities Management Corporation (PSALM).

v) Net derivative asset and liability changed by ₱5.24 bn (from ₱1.07 bn asset to ₱6.30 bn asset) during the first quarter 2022 due to hedging gains.

vi) Other noncurrent liabilities decreased by ₱55.00 mn, or 100% (from ₱55.00 mn to ₱0.00 mn), mainly due to the reclassification of the PSALM deferred adjustments to current.

Equity

Equity attributable to equity shareholders of the Parent Company decreased by 1% (from ₱147.95 bn as of December 31, 2021 to ₱146.18 bn as of March 31, 2022) after the declaration of dividends in March 2022, net of comprehensive income recognized during the first quarter 2022. Cumulative translation adjustments increased by ₱667.00 mn, due to the upward net adjustment in the fair value of the Group's foreign currency forward and commodity swap contracts designated as cash flow hedges, as well as the net assets translation effect of GMEC and Luzon Hydro during the period.

Material Changes in Liquidity and Cash Reserves of Registrant

As of March 31, 2022, the Group's cash and cash equivalents decreased by 6% to ₱53.61 bn, from ₱57.13 bn as of December 31, 2021.

Lower earnings for the first three months of 2022, due to Typhoon Odette outages and the advance planned outages in anticipation of the national elections, resulted in a reduction in cash generated from operations during the first quarter of 2022 by ₱2.55 bn, which was a 23% decrease compared to the first quarter 2021.

Net cash flows from (used in) investing activities reversed from positive ₱3.13 bn in the first quarter of 2021 to negative ₱291.00 mn in the first quarter of 2022, mainly due to lower dividends received from associates.

The net cash flows used in financing activities increased from ₱5.95 bn in the first quarter of 2021 to ₱11.67 bn in the first quarter of 2022, mainly due to higher payments of cash dividends and the repayment of short-term loans.

Financial Ratios

As of March 31, 2022, current assets increased by 2% and current liabilities decreased by 1% compared to the end of 2021. The current ratio as of March 31, 2022 was at 1.57x compared to 1.53x as of December 31, 2021.

Consolidated debt to equity ratio as of March 31, 2022 was at 1.80x, higher than the 1.75x recorded at the end of 2021. This was due to a 2% increase in total liabilities and 1% decrease in equity during the first quarter 2022.

Outlook for the Upcoming Year/ Known Trends, Events, and Uncertainties which may have Material Impact on the Registrant

AboitizPower remains focused on addressing the needs of its markets, namely: (1) providing reliable supply, at a (2) reasonable cost, and with (3) minimal impact on the environment and communities. The Company believes that there is no single technology that completely addresses the country's energy requirements and that to address the deficiency, a mix of power generation technologies is necessary. Thus, AboitizPower continues to pursue both renewable projects and thermal technologies where and when it makes sense.

Despite increased competition in the power generation market, the Company believes that it has built the foundation to sustain its long term growth, as seen in its pipeline of new power generation projects.

With GNPD Unit 1 already operational as of January 25, 2022, the Company currently has 621 MW of projects under construction as follows (arranged based on target synchronization and commercial operations date): the GNPower Dinginin Project Unit 2 ("Dinginin Project Unit 2"); the TMI Maco Hybrid Battery Energy Storage System Project ("Maco BESS Project"); the PV Sinag Power Cayanga Project ("Cayanga Solar Project"); and the SN AboitizPower Magat Battery Energy Storage System Project ("Magat BESS Project").

GNPD Unit 2 was successfully synchronized on April 23, 2022, which was one month ahead of schedule.

The Maco BESS Project is located in Maco, Compostela Valley. It has a storage capacity of 49 MW and is intended to be used for ancillary services. The project has just completed the NGCP tests required for its commercial operations. The team is now in the process of completing the remaining commissioning and punchlist closure works ahead of the expected handover to operations by the last week of May 2022. The Maco BESS was designed to work in tandem with the TMI Diesel Engines and part of the ongoing work is configuring the control system to enable the hybrid functionality. It will serve as a model for future battery investments as well as hybrid renewable energy projects.

The PV Sinag Power Cayanga Project is for the construction of a 94 megawatts peak (MWp) solar power plant located in barangay Cayanga, municipality of Bugallon, Pangasinan. After the groundbreaking ceremony on February 2022, survey and geotechnical investigation, and basic design works have been completed. Construction activities for the control building, transmission line and Cayanga Substation are ongoing. As of the date hereof, overall the project is at 28% completion with zero lost time incidents. The project is expected to commercially operate by Q4 2022.

The Magat BESS Project is located in Ramon, Isabela. It has a storage capacity of 20 MW and will be used to provide ancillary services. The EPC contract was awarded to Hitachi Energy in March 2022, with a groundbreaking ceremony held on April 25, 2022. Construction works began in April 2022. The project is expected to commence commercial operations in the first quarter of 2024.

On top of the projects under construction, the Company has a 160 MWp of RE project expected to be issued a notice to proceed in 2022: the PV Sinag Power Laoag project ("Laoag Solar Project"). The Laoag Solar Project is expected to commercially operate by the third quarter of 2023.

The Company also has an additional capacity of 711 MW of RE projects under priority development which are expected to commercially operate by 2024 to 2025: the 84 MWp PV Sinag Power San Manuel Solar Project; the 44 MWp AP Renewable Energy Corporation Tarlac Solar Project; the 40 MW Hedcor Bukidnon Kibungan Hydro Project; the 212 MWp PV Sinag Power Olongapo Solar Project; the 56 MWp PV Sinag Power Ramon Solar Project; the 50 MWp PV Sinag Power Gamu Solar Project; the 75 MWp SN AboitizPower-Magat Floating Solar Project; and the 150 MWp Aboitiz Solar Power Inc Calatrava Solar Project.

In relation to AboitizPower's existing capacity, the steam field operator for AP Renewables Inc. (APRI) has commenced the drilling of 12 new wells, which are expected to result in a minimum 50 MW of aggregated individual well capacity by 2023. As of April 2022, five wells have been completed. Three more are expected to be added by 2022, and another four by 2023. In Tiwi, the initiative to convert waste heat from the geothermal brine to power a 15 MW Binary power plant is reaching the final stages of tender. The project is expected to commercially operate by the third quarter of 2023.

The Company targets doubling its net attributable sellable capacity to 9,200 MW by 2030. It intends to achieve a 50:50 balance between its renewable ("Cleanergy") and thermal capacities, without new coal builds. This is expected to come from a portfolio of renewables and selective baseload builds.

The Company aims to maximize opportunities from the implementation of the Renewable Portfolio Standards ("RPS") by the DOE. In line with DOE's aspirational goal of a 35% share in renewable energy utilization by 2030, RPS is a market-based policy that mandates power distribution utilities, electric cooperatives, and retail electricity suppliers to source an agreed portion of their energy supplies from renewable energy facilities. The Company will continue to pursue international opportunities, with a continued focus on renewable energy projects in wind, hydro, and solar in high growth geographic markets with acceptable regulatory environments.
The Company plans to significantly grow Cleanergy by 3,700 MW of net attributable sellable capacity, both domestically and internationally, and bring its renewable portfolio to 4,600 MW of net attributable sellable capacity by 2030.

The Company is optimizing its existing baseload facilities to meet critical market needs. Baseload demand in the Philippines is still expected to increase. In the absence of new coal plants, AboitizPower is currently conducting studies for viable alternatives to coal. In the event of a critical shortage, AboitizPower's third unit options located in existing baseload facilities may respond if called upon. The Company is also shifting its focus to gas for baseload growth. It has early feasibility studies, and within the next ten years, expects to construct one gas plant with a capacity of 1,000 MW, unless a cleaner technology proves to be the more economical option.

AboitizPower fully supports the DOE's coal moratorium efforts to make the Philippine energy system more flexible, resilient, and sustainable. AboitizPower is also closely and proactively monitoring the risks associated with climate-related regulations and initiatives, including recent discussions on the early retirement of coal assets in the Philippines and Indonesia. AboitizPower, through its parent company, AEV, is the first Philippine company to sign up and commit to the Task Force on Climate-Related Financial Disclosure framework. The Company has taken steps to proactively quantify the potential impacts of various climate regulations on its assets. The Company is monitoring this risk as part of its risk management framework and is developing strategies to manage risks that are above certain risk thresholds.

Given the current state of power needs in the Philippines and the expected build progression of new plants over the next ten years, AboitizPower believes its existing coal assets will need to continue to play a significant role for at least another 15 to 20 years. AboitizPower is always looking at improvements to make sure it continues to operate its assets responsibly and in compliance with all regulations.

The Company believes that it is well-positioned to take advantage of opportunities arising from developments in the power industry. It expects its financial condition to give it the agility to create or acquire additional generating capacity over the next few years.

AboitizPower, together with its partners, has allotted ₱28 bn for capital expenditures in 2022, for the development and construction of various solar power, hydro power, and battery energy-storage systems, and the continuous improvement of the reliability of baseload plants.

AboitizPower and JERA have agreed to explore immediate collaboration in the following areas: 1) development of power projects, including (Liquified Natural Gas) LNG-to-Power projects; 2) management and sourcing of LNG fuel supply; and 3) potential participation in aspects of plant operation and maintenance (O&M).

Other known trends, events, uncertainties which may have a material impact on AboitizPower have been discussed extensively in sections of the Company's Information Statement (e.g. for an extensive discussion on regulatory issues, see Effects of Existing and/or Probable Government Regulations on the Business on page 76 of the Company's 2021 Definitive Information Statement).

PART II--OTHER INFORMATION

There are no significant information on the company which requires disclosure herein and/or were not included in SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer	**ABOITIZ POWER CORPORATION**
Principal Accounting Officer	**Myla M. Espineda**
Signature and Title	**VP for Finance**
Date	May 13, 2022
Authorized Officer of the Issuer	**Manuel Alberto R. Colayco**
Signature and Title	**Corporate Secretary**
Date	May 13, 2022

Aboitiz Power Corporation and Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements
As of March 31, 2022 (with Comparative Figures as of December 31, 2021)
and For the Three-Month Periods Ended March 31, 2022 and 2021

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET
(With Comparative Figures as of December 31, 2021)

(Amounts in Thousands)

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	**₱53,613,883**	₱57,130,243
Trade and other receivables (Note 6)	**28,657,218**	26,820,071
Derivative assets (Note 20)	**6,050,518**	1,383,903
Inventories	**10,891,096**	9,574,613
Other current assets (Note 7)	**7,379,469**	9,511,107
Total Current Assets	**106,592,184**	104,419,937
Noncurrent Assets		
Investments and advances (Note 8)	**66,268,498**	64,952,728
Property, plant and equipment	**202,653,636**	203,239,825
Intangible assets (Note 10)	**46,593,513**	46,015,496
Derivative assets - net of current portion (Note 20)	**283,008**	75,718
Net pension assets	**87,146**	87,146
Deferred income tax assets	**1,509,580**	1,441,768
Other noncurrent assets	**6,316,113**	7,183,001
Total Noncurrent Assets	**323,711,494**	322,995,682
TOTAL ASSETS	**₱430,303,678**	₱427,415,619
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Note 12)	**₱17,932,045**	₱18,625,546
Current portions of:		
Long-term debts (Note 13)	**18,372,025**	18,419,227
Lease liabilities (Note 21)	**8,357,668**	8,106,781
Long-term obligation on power distribution system	**40,000**	40,000
Derivative liabilities (Note 20)	**30,427**	219,030
Trade and other payables (Note 11)	**22,427,141**	22,744,322
Income tax payable	**838,421**	264,647
Total Current Liabilities	**67,997,727**	68,419,553

(Forward)

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET

(With Comparative Figures as of December 31, 2021)

(Amounts in Thousands)

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Noncurrent Liabilities		
Noncurrent portions of:		
Long-term debts (Note 13)	**₱170,413,507**	₱163,618,747
Lease liabilities (Note 21)	**23,804,404**	25,667,098
Long-term obligation on power distribution system	**130,496**	125,532
Derivative liabilities - net of current portion (Note 20)	**49**	174,664
Customers' deposits	**7,430,834**	7,200,341
Decommissioning liability	**5,763,881**	5,686,224
Deferred income tax liabilities	**581,363**	585,440
Net pension liabilities	**302,812**	302,812
Other noncurrent liabilities	**—**	54,505
Total Noncurrent Liabilities	**208,427,346**	203,415,363
Total Liabilities	**276,425,073**	271,834,916
Equity Attributable to Equity Holders of the Parent		
Paid-in capital	**19,947,498**	19,947,498
Share in other comprehensive income of associates and joint ventures (Note 9)	**334,093**	185,183
Cumulative translation adjustments	**2,583,957**	1,917,151
Cash flow hedge reserve	**6,130,008**	917,353
Actuarial losses on defined benefit plans	**(1,084,407)**	(1,072,629)
Equity reserve	**(7,175,742)**	(7,175,742)
Retained earnings (Note 22)		
Appropriated	**20,060,000**	20,060,000
Unappropriated	**105,388,419**	113,172,268
	146,183,826	147,951,082
Non-controlling Interests	**7,694,779**	7,629,621
Total Equity	**153,878,605**	155,580,703
TOTAL LIABILITIES AND EQUITY	**₱430,303,678**	₱427,415,619

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Earnings Per Share Amounts)

	Jan - Mar 2022	Jan - Mar 2021
OPERATING REVENUES (Note 18)	**₱35,877,782**	₱26,849,381
OPERATING EXPENSES (Note 15)	**29,839,413**	19,984,303
OPERATING PROFIT	**6,038,369**	6,865,078
FINANCIAL EXPENSES - net		
Interest income	**100,282**	88,460
Interest expense and other financing costs (Note 19)	**(3,495,850)**	(3,556,051)
	(3,395,568)	(3,467,591)
OTHER INCOME (EXPENSES)		
Share in net earnings of associates and joint ventures (Note 8)	**1,227,620**	3,809,104
Other income - net (Note 16)	**(583,464)**	111,908
	644,156	3,921,012
INCOME BEFORE INCOME TAX	**3,286,957**	7,318,499
PROVISION FOR INCOME TAX	**387,783**	729,095
NET INCOME	**₱2,899,174**	₱6,589,404
ATTRIBUTABLE TO:		
Equity holders of the parent	**₱2,886,127**	₱6,176,519
Non-controlling interests	**13,047**	412,885
	₱2,899,174	₱6,589,404
EARNINGS PER COMMON SHARE (Note 17)		
Basic and diluted, income for the period attributable to ordinary equity holders of the parent	**₱0.39**	₱0.84

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Jan - Mar 2022	Jan - Mar 2021
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	**₱2,886,127**	₱6,176,519
Non-controlling interests	**13,047**	412,885
	2,899,174	6,589,404
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:		
Movement in cumulative translation adjustments	**666,806**	576,265
Movement in cash flow hedges	**5,286,074**	702,379
Share in movement in cumulative translation adjustment of associates and joint ventures (Note 8)	**111,349**	(1,034)
	6,064,229	1,277,610
Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:		
Actuarial loss on defined benefit plans, net of tax	**—**	(2)
Share in actuarial gains (loss) on defined benefit plans of associates and joint ventures, net of tax (Note 8)	**37,561**	(1,072)
	37,561	(1,074)
Total other comprehensive income for the period, net of tax	**6,101,790**	1,276,536
TOTAL COMPREHENSIVE INCOME	**₱9,000,964**	₱7,865,940
ATTRIBUTABLE TO:		
Equity holders of the parent	**₱8,902,720**	₱7,424,708
Non-controlling interests	**98,244**	441,232
	₱9,000,964	₱7,865,940

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021

(Amounts in Thousands, Except Dividends Per Share Amounts)

	Attributable to Equity Holders of the Parent									
							Retained Earnings (Note 22)			
	Paid-in Capital	Share in Other Comprehensive Income (Loss) of Associates and Joint	Cumulative Translation Adjustments	Cash Flow Hedge Reserve	Actuarial Losses on Defined Benefit Plans	Equity Reserve	Appropriated	Unappropriated	Non-controlling Interests	Total
Balances at January 1, 2022	**₱19,947,498**	**₱185,183**	**₱1,917,151**	**₱917,353**	**(₱1,072,629)**	**(₱7,175,742)**	**₱20,060,000**	**₱113,172,268**	**₱7,629,621**	**₱155,580,703**
Net income for the period	—	—	—	—	—	—	—	**2,886,127**	**13,047**	**2,899,174**
Other comprehensive income	—	**148,910**	**666,806**	**5,212,655**	—	—	—	—	**73,419**	**6,101,790**
Total comprehensive income	—	**148,910**	**666,806**	**5,212,655**	—	—	—	**2,886,127**	**86,466**	**9,000,964**
Cash dividends - P1.45 per share (Note 22)	—	—	—	—	—	—	—	**(10,669,976)**	—	**(10,669,976)**
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	**(4)**	**(4)**
Change in non-controlling interests	—	—	—	—	**(11,778)**	—	—	—	**(21,304)**	**(33,082)**
Balances at March 31, 2022	**₱19,947,498**	**₱334,093**	**₱2,583,957**	**₱6,130,008**	**(₱1,084,407)**	**(₱7,175,742)**	**₱20,060,000**	**₱105,388,419**	**₱7,694,779**	**₱153,878,605**
Balances at January 1, 2021	₱19,947,498	(₱576,692)	(₱1,067,593)	(₱1,379,180)	(₱1,239,612)	(₱7,175,742)	₱33,660,000	₱84,989,900	₱7,426,494	₱134,585,073
Net income for the period	—	—	—	—	—	—	—	6,176,519	412,885	6,589,404
Other comprehensive income (loss)	—	(2,106)	576,265	673,602	428	—	—	—	28,347	1,276,536
Total comprehensive income (loss)	—	(2,106)	576,265	673,602	428	—	—	6,176,519	441,232	7,865,940
Cash dividends - P0.85 per share (Note 22)	—	—	—	—	—	—	—	(6,254,814)	—	(6,254,814)
Reversal of appropriation	—	—	—	—	—	—	(13,600,000)	13,600,000	—	—
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	(939,397)	(939,397)
Change in non-controlling interests	—	—	—	—	—	—	—	—	(4,547)	(4,547)
Balances at March 31, 2021	₱19,947,498	(₱578,798)	(₱491,328)	(₱705,578)	(₱1,239,184)	(₱7,175,742)	₱20,060,000	₱98,511,605	₱6,923,782	₱135,252,255

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Jan - Mar 2022	Jan - Mar 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱3,286,957**	₱7,318,499
Adjustments for:		
Interest expense and other financing costs (Note 19)	**3,495,850**	3,556,051
Depreciation and amortization	**2,852,590**	2,703,274
Net unrealized foreign exchange losses	**194,057**	215,543
Loss (gain) on disposal of property, plant and equipment	**(1,568)**	475
Share in net earnings of associates and joint ventures (Note 8)	**(1,227,620)**	(3,809,104)
Interest income (Note 18)	**(100,282)**	(88,460)
Unrealized fair valuation gain on derivatives and financial assets at FVTPL (Note 20)	**(47,575)**	(13,920)
Operating income before working capital changes	**8,452,409**	9,882,358
Decrease (increase) in:		
Trade and other receivables	**(2,243,382)**	(1,668,116)
Inventories	**(1,316,483)**	(826,524)
Other current assets	**2,948,554**	2,571,444
Increase in:		
Trade and other payables	**668,982**	2,070,199
Customers' deposits	**230,493**	142,850
Net cash generated from operations	**8,740,573**	12,172,211
Income and final taxes paid	**(350,935)**	(1,228,303)
Net cash flows from operating activities	**8,389,638**	10,943,908
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash dividends received (Note 8)	**435,719**	4,555,518
Interest received	**106,515**	77,066
Proceeds from redemption of shares	**—**	6,406
Decrease in other noncurrent assets	**899,609**	320,697
Proceeds from sale of property, plant and equipment	**—**	8,851
Acquisitions through business combinations, net of cash acquired	**—**	1,251
Additions to:		
Property, plant and equipment (Note 23)	**(1,728,083)**	(877,100)
Intangible assets - service concession rights (Note 10)	**(5,199)**	(15,514)
Additional investments (Note 8)	**—**	(952,141)
Net cash flows from (used in) investing activities	**(291,439)**	3,125,034
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from long-term debt (Note 13)	**6,077,256**	4,784,064
Net availments (payments) of short-term loans (Note 12)	**(693,501)**	2,517,000
Cash dividends paid (Note 22)	**(10,669,606)**	(6,254,629)
Payments of lease liabilities, including interest accretion (Note 21)	**(2,946,503)**	(2,595,693)
Payment of dividends to non-controlling interests	**(4)**	(939,397)
Interest paid	**(3,436,339)**	(3,463,200)
Net cash flows used in financing activities	**(11,668,697)**	(5,951,855)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(3,570,498)**	8,117,087
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND EQUIVALENTS	**54,138**	121,590
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**57,130,243**	38,699,545
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 5)	**₱53,613,883**	₱46,938,222

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED NOTES TO FINANCIAL STATEMENTS
(Amounts in Thousands, Except Earnings per Share and Exchange Rate Data and When Otherwise Indicated)

1. Corporate Information

Aboitiz Power Corporation (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission on February 13, 1998. The Company is a publicly-listed holding company of the entities engaged in power generation and power distribution in the Aboitiz Group. On December 16, 2021, JERA Asia Private Limited completed the acquisition of the Company's share from Aboitiz Equity Ventures, Inc. (AEV) and Aboitiz & Company, Inc. (ACO) totaling to 27%. As of March 31, 2022, Aboitiz Equity Ventures, Inc. (AEV, also incorporated in the Philippines) owns 52% of the Company. The ultimate parent of the Company is Aboitiz & Company, Inc. (ACO).

The registered office address of the Company is 32nd Street, Bonifacio Global City, Taguig City, Metro Manila.

2. Group Information

The unaudited interim condensed consolidated financial statements comprise the financial statements of the Company, subsidiaries controlled by the Company and a joint operation that is subject to joint control (collectively referred to as "the Group").

The following are the subsidiaries as of March 31, 2022 and December 31, 2021:

	Nature of Business	**March 31, 2022**		December 31, 2021	
		Direct	**Indirect**	Direct	Indirect
Aboitiz Renewables, Inc. (ARI) and Subsidiaries	Power generation	**100.00**	**–**	100.00	–
AP Renewables, Inc. (APRI)	Power generation	**–**	**100.00**	–	100.00
Aboitiz Power Distributed Energy, Inc.	Power generation	**–**	**100.00**	–	100.00
Aboitiz Power Distributed Renewables, Inc.	Power generation	**–**	**100.00**	–	100.00
Hedcor, Inc. (HI)	Power generation	**–**	**100.00**	–	100.00
Hedcor Sibulan, Inc. (HSI)	Power generation	**–**	**100.00**	–	100.00
Hedcor Tudaya, Inc. (Hedcor Tudaya)	Power generation	**–**	**100.00**	–	100.00
Luzon Hydro Corporation (LHC)	Power generation	**–**	**100.00**	–	100.00
Sinag Solar Power Corporation (formerly AP Solar Tiwi, Inc.)*	Power generation	**–**	**100.00**	–	100.00
Retensol, Inc.*	Power generation	**–**	**100.00**	–	100.00
AP Renewable Energy Corporation*	Power generation	**–**	**100.00**	–	100.00
Aseagas Corporation (Aseagas)*	Power generation	**–**	**100.00**	–	100.00
Bakun Power Line Corporation*	Power generation	**–**	**100.00**	–	100.00
Cleanergy, Inc.*	Power generation	**–**	**100.00**	–	100.00
Cordillera Hydro Corporation*	Power generation	**–**	**100.00**	–	100.00
Hedcor Benguet, Inc.*	Power generation	**–**	**100.00**	–	100.00
Hedcor Bukidnon, Inc. (Hedcor Bukidnon)	Power generation	**–**	**100.00**	–	100.00
Hedcor Kabayan, Inc. *	Power generation	**–**	**100.00**	–	100.00
PV Sinag Power, Inc. (former Hedcor Ifugao, Inc.)*	Power generation	**–**	**100.00**	–	100.00
Amihan Power, Inc. (former Hedcor Kalinga, Inc.)*	Power generation	**–**	**100.00**	–	100.00

Aboitiz Solar Power, Inc. (former Hedcor Itogon Inc.)*	Power generation	–	**100.00**	–	100.00
Hedcor Manolo Fortich, Inc.*	Power generation	–	**100.00**	–	100.00
Amihan Frontier Energy, Inc. (formerly Hedcor Mt. Province, Inc.)*	Power generation	–	**100.00**	–	100.00
Hedcor Sabangan, Inc. (Hedcor Sabangan)	Power generation	–	**100.00**	–	100.00
Hedcor Tamugan, Inc.*	Power generation	–	**100.00**	–	100.00
Mt. Apo Geopower, Inc.*	Power generation	–	**100.00**	–	100.00
Negron Cuadrado Geopower, Inc. *	Power generation	–	**100.00**	–	100.00
Tagoloan Hydro Corporation*	Power generation	–	**100.00**	–	100.00
Luzon Hydro Company Limited*	Power generation	–	**100.00**	–	100.00
Electricidad, Inc. (formerly La Filipina Electrika Inc.)*	Power generation	–	**100.00**	–	100.00
Wind Renewable Energy Corporation*	Power generation	–	**100.00**	–	100.00
Maaraw Renewable Energy Corporation*	Power generation	–	**100.00**	–	100.00
Hydro Electric Development Corporation*	Power generation	–	**99.97**	–	99.97
Therma Power, Inc. (TPI) and Subsidiaries	Power generation	**100.00**	–	100.00	–
Mindanao Sustainable Solutions, Inc.*	Services	–	**100.00**	–	100.00
Therma Luzon, Inc. (TLI)	Power generation	–	**100.00**	–	100.00
Therma Marine, Inc. (Therma Marine)	Power generation	–	**100.00**	–	100.00
Therma Mobile, Inc. (Therma Mobile)	Power generation	–	**100.00**	–	100.00
Therma South, Inc. (TSI)	Power generation	–	**100.00**	–	100.00
Therma Power-Visayas, Inc. (TPVI)*	Power generation	–	**100.00**	–	100.00
Therma Central Visayas, Inc.*	Power generation	–	**100.00**	–	100.00
Therma Subic, Inc.*	Power generation	–	**100.00**	–	100.00
Therma Mariveles Holdings, Inc.	Holding company	–	**100.00**	–	100.00
GNPower Mariveles Energy Center Ltd. Co. (former GNPower Mariveles Coal Plant) (GMEC)	Power generation	–	**78.33**	–	78.33
Therma Dinginin Holdings, Inc.	Holding company	–	**100.00**	–	100.00
Therma Visayas, Inc. (TVI)	Power generation	–	**80.00**	–	80.00
Abovant Holdings, Inc. (Abovant)	Holding company	–	**60.00**	–	60.00
AboitizPower International Pte. Ltd. (API)	Holding company	**100.00**	–	100.00	–
Aboitiz Energy Solutions, Inc. (AESI)	Retail electricity	**100.00**	–	100.00	–
Adventenergy, Inc. (AI)	Retail electricity	**100.00**	–	100.00	–
Balamban Enerzone Corporation (BEZ)	Power distribution	**100.00**	–	100.00	–
Lima Enerzone Corporation (LEZ)	Power distribution	**100.00**	–	100.00	–
Mactan Enerzone Corporation (MEZ)	Power distribution	**100.00**	–	100.00	–
Malvar Enerzone Corporation	Power distribution	**100.00**	–	100.00	–
East Asia Utilities Corporation (EAUC)	Power generation	**50.00**	**50.00**	50.00	50.00
Cotabato Light and Power Company (CLP)	Power distribution	**99.94**	–	99.94	–
Cotabato Ice Plant, Inc.	Manufacturing	–	**100.00**	–	100.00
Davao Light & Power Company, Inc. (DLP)	Power distribution	**99.93**	–	99.93	–
Maaraw Holdings San Carlos, Inc. (MHSCI)	Holding company	–	**100.00**	–	100.00
San Carlos Sun Power, Inc. (Sacasun)	Power generation	–	**100.00**	–	100.00
AboitizPower International B.V.	Holding company	–	**100.00**	–	100.00
Subic Enerzone Corporation (SEZ)	Power distribution	**65.00**	**34.98**	65.00	34.98
Cebu Private Power Corporation (CPPC)	Power generation	**60.00**	–	60.00	–
Prism Energy, Inc. (PEI)	Retail electricity	**60.00**	–	60.00	–
Visayan Electric Company (VECO)	Power distribution	**55.26**	–	55.26	–

** No commercial operations as of March 31, 2022*

3. Basis of Financial Statement Preparation and Changes in Accounting Policies

Basis of Financial Statement Preparation

The accompanying unaudited interim condensed consolidated financial statements of the Group have been prepared on a historical cost basis, except for derivative financial instruments and financial assets at FVTPL which are measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine peso, which is the Company's functional currency, and all values are rounded to the nearest thousands, except for earnings per share and exchange rates and as otherwise indicated.

Statement of Compliance

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual audited consolidated financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements as of and for the year ended December 31, 2021, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

On April 20, 2022, the Audit Committee of the Board of Directors (BOD) of the Company approved and authorized the release of the accompanying unaudited interim condensed consolidated financial statements of the Group.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the amendments to existing standards which were applied starting January 1, 2022. The adoption of these amendments did not have a significant impact on the interim condensed consolidated financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately. At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to PAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  This amendment did not have an impact to the Group as there were no items of PPE that are made available for use subsequent to January 1, 2021.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

  The amendment specifies which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  This amendment applies to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of PFRS* – Subsidiary as a first-time adopter

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

  - Amendments to PFRS 9, *Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- PAS 41, *Agriculture – Taxation in fair value measurements*

  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's unaudited interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities. However, uncertainty about these assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group also included, as one of its main considerations, the impact of the continuing effect of COVID-19 pandemic in making significant judgments and assumptions.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Judgments, key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are consistent with those applied in the most recent annual audited consolidated financial statements.

5. Cash and Cash Equivalents

	March 31, 2022	December 31, 2021
Cash on hand and in banks	**₱19,680,247**	₱17,239,024
Short-term deposits	**33,933,636**	39,891,219
	₱53,613,883	₱57,130,243

Cash in banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposits rates.

6. Trade and Other Receivables

	March 31, 2022	December 31, 2021
Trade receivables - net of allowance for expected credit losses	**₱21,575,582**	₱19,618,892
Others		
Dividends receivable	**792,000**	1,192,000
Advances to contractors	**248,942**	191,904
Non-trade receivable	**5,161,935**	4,726,071
Interest receivable	**42,110**	48,343
PSALM deferred adjustment	**836,649**	1,042,861
	₱28,657,218	₱26,820,071

Trade and other receivables are non-interest bearing and are generally on 10 - 30 days' term.

Non-trade receivable relates mostly to claims from insurance against the property damage and business interruption insurance policies of TSI, receivable of GMEC from the National Grid Corporation of the Philippines (NGCP) related to the sale of transmission assets in 2019 and advances to partners in GMEC, and TLI's accrual of income from coal commodity hedge.

7. Other Current Assets

	March 31, 2022	December 31, 2021
Restricted cash	**₱1,303,649**	₱4,073,381
Input VAT	**1,390,499**	1,387,464
Prepaid expenses	**2,619,050**	818,610
Advances to NGCP	**551,506**	615,785
Prepaid tax	**1,448,485**	2,529,435
Others	**66,280**	86,432
	₱7,379,469	₱9,511,107

Restricted cash represents proceeds from sale of power under the control of trustees of TVI and TSI's lenders as per loan agreement. The asset will be used to pay the current portion of loans payable, interest payments and operating costs in the following period.

Advances to NGCP pertain to TVI's cost of construction and installation of substation and transmission facilities which are subject for reimbursement.

Prepaid expenses mainly include prepayments for insurance and real property tax

8. Investments and Advances

	March 31, 2022	December 31, 2021
Acquisition cost:		
Balance at beginning of the period	**₱61,410,545**	₱60,470,649
Additions during the period	**—**	954,386
Step acquisition to subsidiary	**—**	(77)
Redemptions during the period	**—**	(14,413)
Balance at end of period	**61,410,545**	61,410,545
Accumulated equity in net earnings:		
Balance at beginning of the period	**3,914,203**	2,482,442
Share in net earnings	**1,227,620**	9,479,696
Step acquisition to subsidiary	**—**	1,082
Dividends received or receivable	**(35,719)**	(8,049,017)
Balance at end of period	**5,081,063**	3,914,203
Share in net unrealized valuation gain on FVOCI investment of an associate	**98,602**	98,602
Share in actuarial gains on defined benefit plans of associates and joint ventures	**54,224**	16,663
Share in cumulative translation adjustments of associates and joint ventures	**181,267**	69,918
	334,093	185,183
	66,825,701	65,509,931
Less allowance for impairment losses	**568,125**	568,125
Investments at equity	**66,257,576**	64,941,806
Advances	**10,922**	10,922
	₱66,268,498	₱64,952,728

2021

In 2021, the Group, through TPI and ATI, made capital contributions to GNPD amounting to ₱952.1 million.

In 2021, the Group made capital contributions to MEC amounting to ₱2.2 million.

In 2021, AEV Aviation, Inc. (AAI) redeemed 6,406 RPS held by the Company for ₱6.4 million.

In 2021, the Group, through Aboitiz Renewables, Inc. acquired 100% of La Filipina Electrika, Inc. (LFEI) from TPI (40%) and La Filipina Uy Gongco Corporation (60%) at its par value of ₱192,500. As a result, LFEI (formerly an associate) became a subsidiary.

The Group's associates and joint ventures and the corresponding equity ownership as of March 31, 2022 and December 31, 2021 are as follows:

	Nature of Business	Percentage of ownership	
		March 31, 2022	December 31, 2021
MORE[1]	Holding company	**83.33**	83.33
GNPD[1]	Power generation	**70.00**	70.00
AA Thermal[(1,2)]	Holding company	**60.00**	60.00
Hijos	Holding company	**46.73**	46.73
Mazzaraty Energy Corporation (MEC)	Retail electricity supplier	**44.87**	44.87
San Fernando Electric Light & Power Co., Inc. (SFELAPCO)	Power distribution	**43.78**	43.78
Pampanga Energy Ventures, Inc. (PEVI)	Holding company	**42.84**	42.84
STEAG	Power generation	**34.00**	34.00
AAI	Service	**26.69**	26.69
Cebu Energy Development Corporation (CEDC)	Power generation	**26.40**	26.40
Redondo Peninsula Energy, Inc. (RPEI)*	Power generation	**25.00**	25.00
Southern Philippines Power Corporation (SPPC)	Power generation	**20.00**	20.00
Western Mindanao Power Corporation (WMPC)	Power generation	**20.00**	20.00

[1] *Joint venture.*

[2] *Economic interest.*

** No commercial operations as of March 31, 2022*

The principal place of business and country of incorporation of the Group's associates and joint venture are in the Philippines. Other than the changes highlighted, associates and joint ventures are the same as those presented as of December 31, 2021 audited financial statements.

The carrying values of investments, which are accounted for under the equity method follow:

	March 31, 2022	December 31, 2021
ATI	**₱26.888.763**	₱26.517.258
GNPD	**22.770.711**	22.164.022
MORE	**8.240.922**	8.151.748
STEAG	**3.227.182**	3.211.116
CEDC	**3.112.487**	2.928.493
RPEI	**360.964**	361.663
PEVI	**597.574**	586.219
SFELAPCO	**459.429**	437.673
Hiios	**212.038**	212.038
WMPC	**197.389**	179.639
SPPC	**46.365**	48.368
Others	**143.752**	143.569
	₱66,257,576	₱64,941,806

9. Joint Operations

		Percentage of Ownership	
Name of Joint Operation	Nature of Business	**March 31, 2022**	December 31, 2021
Pagbilao Energy Corporation	Power generation	**50%**	50%

** PEC's principal place of business and country of incorporation is the Philippines*

On May 15, 2014, the Group entered into a shareholders' agreement with TPEC Holdings Corporation (TPEC) for the development, construction and operation of the 400 MW Pagbilao Unit III in Pagbilao, Quezon through PEC. TPI and TPEC both agreed to provide their respective capital contributions and subscribe to common shares such that each stockholder owns 50% of the issued and outstanding shares of stock of PEC.

The financial and operating activities of the operation are jointly controlled by the participating shareholders and are primarily designed for the provision of output to the shareholders.

The Group's share of assets, liabilities, revenue, expenses and cash flows of joint operations are included in the unaudited interim condensed consolidated financial statements on a line-by-line basis.

10. Intangible Assets

March 31, 2022

	Goodwill	Service concession rights	Franchise	Project development costs	Customer contracts	Software and licenses	Total
Cost:							
Balances at beginning of period	₱41,163,608	₱5,493,582	₱3,078,431	₱448,995	₱60,068	₱571,797	₱50,816,481
Additions	—	5,402	—	32,752	—	5,005	43,159
Exchange differences	585,321	17,117	—	—	—	—	602,438
Balances at end of period	41,748,929	5,516,101	3,078,431	481,747	60,068	576,802	51,462,078
Accumulated amortization:							
Balances at beginning of period	—	3,739,190	660,581	—	60,068	341,146	4,800,985
Amortization	—	32,697	19,241	—	—	15,642	67,580
Balances at end of period	—	3,771,887	679,822	—	60,068	356,788	4,868,565
Net book values	₱41,748,929	₱1,744,214	₱2,398,609	₱481,747	₱—	₱220,014	₱46,593,513

11. Trade and Other Payables

	March 31, 2022	December 31, 2021
Trade payables	**₱13,598,373**	₱11,963,685
Output VAT	**2,472,744**	3,388,646
Amounts due to contractors and other third parties	**937,311**	949,951
PSALM deferred adjustment	**836,649**	1,042,861
Accrued expenses:		
Interest	**1,135,487**	2,122,020
Materials and supplies cost	**66,087**	66,087
Taxes and fees	**1,276,611**	1,016,249
Claims conversion costs	**70,294**	68,180
Insurance	**17,137**	25,713
Dividends payable (see Note 22)	**245,378**	252,003
Unearned revenues	**33,833**	36,461
Customers' deposit	**26,517**	129,992
Nontrade	**1,257,194**	1,077,356
Others	**453,526**	605,118
	₱22,427,141	₱22,744,322

Trade payables are non-interest bearing and generally on 30-day terms.

Accrued taxes and fees represent accrual of real property tax, transfer tax and other fees.

Amounts due to contractors and other third parties include liabilities arising from construction projects.

Others include withholding taxes and other accrued expenses and are generally payable within 12 months from the balance sheet date.

12. Short-term Loans

		March 31, 2022	December 31, 2021
Peso loans - financial institutions - unsecured	2.0% - 4.92% in 2022 1.9% - 4.92% in 2021	**₱12,712,000**	₱14,003,000
Dollar loans - financial institutions - unsecured	2.21% - 4.20% in 2022 2.07% - 3.75% in 2021	**₱5,165,201**	₱4,581,237
Temporary advances	Noninterest-bearing	**54,844**	41,309
		₱17,932,045	₱18,625,546

The Peso loans are unsecured short-term notes payable obtained from local banks. These loans are covered by the respective borrower's existing credit lines with the banks and are not subject to any significant covenants and warranties.

13. Long-term Debts

	2022 Interest Rate	2021 Interest Rate	**March 31, 2022**	December 31, 2021
Company:				
Bonds (see Note 14)	3.13% to 8.51%	3.13% to 8.51%	**₱60,000,000**	₱50,000,000
Financial institutions - unsecured	4.00% to 4.33%	4.00% - 4.33%	**10,900,000**	10,900,000
Financial institutions - unsecured	LIBOR + 1.20%	LIBOR + 1.20%	**2,845,700**	2,804,945
Subsidiaries:				
GMEC				
Financial institutions - unsecured	LIBOR + 1.7% - 4.85%	LIBOR + 1.7% - 4.85%	**31,556,865**	32,260,286
TMI				
Financial institutions - secured	4.54% - 6.26%	4.54%	**2,000,000**	1,790,000
HSAB				
Financial institutions - secured	4.92%	4.92%	**1,145,000**	1,145,000
TVI				
Financial institutions - secured	5.56% to 9.00%	5.56% to 9.00%	**25,499,014**	26,947,493
AESI				
Financial institutions - unsecured	4.87%	4.87%	**594,000**	594,000
TSI				
Financial institutions - secured	4.27%	4.27%	**17,719,399**	18,314,624
APRI				
Financial institutions - secured	4.48% - 5.20%	4.48% - 5.20%	**10,600,000**	10,600,000
Hedcor Bukidnon				
Financial institutions - secured	4.00% - 5.34%	4.00% - 5.34%	**8,414,575**	8,714,717
TPVI				
Financial institutions - secured	3.32%-5.06%	3.32%-5.06%	**1,500,000**	1,500,000
Hedcor Sibulan				
Fixed rate corporate notes - unsecured	4.63% - 5.42%	4.63% - 5.42%	**3,403,401**	3,403,401
HI				
Financial institution - secured	7.41%	7.41%	**423,000**	423,000
Financial institution - secured	7.87%	7.87%	**1,040,000**	1,077,000
VECO				
Financial institution - unsecured	4.73% - 4.92%	4.73% - 4.92%	**384,000**	384,000
HTI				
Financial institution - secured	4.92%	4.92%	**752,000**	752,000
LHC				
Financial institutions - secured	LIBOR + 2.00%	LIBOR + 2.00%	**7,760**	7,650
DLP				
Financial institution - unsecured	4.73% to 4.92%	4.73% to 4.92%	**288,000**	288,000
AI				
AEV - unsecured	3.50%	3.50%	**300,000**	300,000
CLP				
Financial institution - unsecured	4.73% to 4.92%	4.73% to 4.92%	**57,600**	57,600
Joint operation (see Note 9)				
Financial institutions - secured	5.77% - 6.27%	5.77% - 6.27%	**10,629,022**	11,146,343
			190,059,336	183,410,059
Less deferred financing costs			**1,273,804**	1,372,085
			188,785,532	182,037,974
Less current portion - net of deferred			**18,372,025**	18,419,227
			₱170,413,507	₱163,618,747

In March 2022, the Company issued ₱3.00 billion 5-year bond due 2027 and ₱7.00 billion 7-year bond due 2029 at an annual fixed rate equivalent to 5.31% 5.74%, respectively, and as part of the third tranche of its ₱30.00 billion debt securities program.

In March 2022, TMI availed a new loan for a total of ₱210 million.

Loan covenants

The loan agreements on long-term debt of the Group provide for certain restriction with respect to, among others, mergers or consolidations or other material changes in their ownership, corporate set-up or management, investment and guaranties, incurrence of additional debt, disposition of mortgage of assets, payment of dividends, and maintenance of financial ratios at certain levels.

These restrictions and requirements were complied with by the Group based on each loan covenant required as of calculation date.

14. Debt Securities

As of March 31, 2022, the Company registered and issued peso-denominated fixed-rate retail bonds totaling ₱60.0 billion under the following terms:

Maturity	Interest Rate (p.a.)	Amount
10-year bonds to mature on October 25, 2028	8.51%	₱2,500,000
10-year bonds to mature on July 3, 2027	5.34%	3,000,000
7-year bonds to mature on March 17, 2029	5.74%	7,000,000
7-year bonds to mature on December 2, 2028	5.03%	7,200,000
7-year bonds to mature on October 14, 2026	5.28%	7,250,000
5.25-year bonds to mature on January 25, 2024	7.51%	7,700,000
5-year bonds to mature on March 17, 2027	5.31%	3,000,000
5-year bonds to mature on March 16, 2026	3.82%	8,000,000
5-year bonds to mature on July 6, 2025	3.94%	550,000
4-year bonds to mature on December 2, 2025	4.00%	4,800,000
2-year bonds to mature on July 6, 2022	3.13%	9,000,000
		₱60,000,000

15. Operating Expenses

	For the periods ended March 31	
	2022	2021
Cost of purchased power	**₱12,212,618**	₱7,472,717
Cost of generated power	**10,328,864**	5,777,366
Depreciation and amortization	**2,852,590**	2,703,274
Operations and maintenance	**2,673,829**	2,463,677
General and administrative	**1,771,512**	1,567,269
	₱29,839,413	₱19,984,303

16. Other Income (Expenses)

	For the periods ended March 31	
	2022	2021
Surcharges	**₱63,895**	₱151,163
Non-utility operating income	**30,227**	34,587
Rental income	**23,278**	11,830
Losses on disposal of property, plant and equipment	**1,568**	(475)
Net foreign exchange loss	**(400,221)**	(336,249)
Others - net	**(302,211)**	251,044
	(₱583,464)	₱111,908

Included in “Net foreign exchange loss” are the net gains and losses relating to currency forward transactions.

“Others” include contract for difference charges and other non-recurring items like sale of scrap and sludge oil.

17. Earnings Per Common Share

Basic and diluted earnings per common share amounts were computed as follows:

	For the periods ended March 31	
	2022	2021
a. Net income attributable to equity holders of the parent	**₱2,886,127**	₱6,176,519
b. Weighted average number of outstanding shares	**7,358,604,307**	7,358,604,307
Basic and diluted earnings per share (a/b)	**₱0.39**	₱0.84

There are no dilutive potential common shares for the three-month periods ended March 31, 2022 and 2021.

18. Operating Segment Information

Operating segments are components of the Group that engage in business activities from which they may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions about how resources are to be allocated to the segment and assess their performances, and for which discrete financial information is available.

For purposes of management reporting, the Group's operating businesses are organized and managed separately according to services provided, with each segment representing a strategic business segment. The Group's identified operating segments, which are consistent with the segments reported to the BOD, which is the Group's CODM, are as follows:

- "Power Generation" segment, which is engaged in the generation and supply of power to various customers under power supply contracts, ancillary service procurement agreements and for trading in WESM;
- "Power Distribution" segment, which is engaged in the distribution and sale of electricity to the end-users; and
- "Parent Company and Others", which includes the operations of the Company, retail electricity sales to various off takers that are considered to be eligible contestable customers and electricity related services of the Group such as installation of electrical equipment.

The power generation segment's revenue from contracts with customers is mainly from power supply contracts. Set out below is the disaggregation of the Group's revenue from contracts with customers:

January - March 2022

	Power Generation	Power Distribution	Parent and Others	Total
Revenue from power supply contracts	**₱13,314,440**	**₱–**	**₱–**	**₱13,314,440**
Revenue from distribution services	**–**	**10,525,842**	**–**	**10,525,842**
Revenue from retail electricity sales	**–**	**–**	**6,386,250**	**6,386,250**
Revenue from non-power supply contracts	**5,538,468**	**–**	**–**	**5,538,468**
Revenue from technical and management services	**–**	**–**	**112,782**	**112,782**
	₱18,852,908	**₱10,525,842**	**₱6,499,032**	**₱35,877,782**

January - March 2021

	Power Generation	Power Distribution	Parent and Others	Total
Revenue from power supply contracts	₱8,840,783	₱–	₱–	₱8,840,783
Revenue from distribution services	–	10,115,897	–	10,115,897
Revenue from retail electricity sales	–	–	4,550,030	4,550,030
Revenue from non-power supply contracts	3,318,420	–	–	3,318,420
Revenue from technical and management services	–	–	24,251	24,251
	₱12,159,203	₱10,115,897	₱4,574,281	₱26,849,381

The revenue from contracts with customers is consistent with the revenue with external customers presented in Segment information.

The Group has only one geographical segment as all of its assets are located in the Philippines. The Group operates and derives principally all of its revenue from domestic operations. Thus, geographical business information is not required.

Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment revenue and segment expenses are measured in accordance with PFRS. The presentation and classification of segment revenue and segment expenses are consistent with the unaudited interim condensed consolidated statements of income. Interest expense and other financing costs, depreciation and amortization expense and income taxes are managed on a per segment basis.

The Group has inter-segment revenues in the form of management fees as well as inter-segment sales of electricity which are eliminated in consolidation. The transfers are accounted for at competitive market prices on an arm's-length transaction basis.

Adjustments as shown below include items not presented as part of segment assets and liabilities.

Financial information on the operations of the various business segments are summarized as follows:

March 31, 2022

	Power Generation	Power Distribution	Parent Company/ Others	Eliminations and Adjustments	Consolidated
REVENUE					
External	**₱18,852,908**	**₱10,525,842**	**₱6,499,032**	**₱—**	**₱35,877,782**
Inter-segment	**6,315,004**	**352,036**	**145,453**	**(6,812,493)**	**—**
Total Revenue	**₱25,167,912**	**₱10,877,878**	**₱6,644,485**	**(₱6,812,493)**	**₱35,877,782**
Segment Results	**₱5,143,435**	**₱728,975**	**₱165,961**	**(₱2)**	**₱6,038,369**
Unallocated corporate income (loss) - net	**(700,223)**	**146,195**	**(29,436)**	**—**	**(583,464)**
INCOME FROM OPERATIONS	**4,443,212**	**875,170**	**136,525**	**(2)**	**5,454,905**
Interest expense	**(2,520,047)**	**(150,881)**	**(824,922)**	**—**	**(3,495,850)**
Interest income	**24,877**	**1,282**	**74,123**	**—**	**100,282**
Share in net earnings of associates and joint ventures	**1,158,605**	**68,830**	**3,861,138**	**(3,860,953)**	**1,227,620**
Provision for income tax	**(135,075)**	**(157,539)**	**(95,169)**	**—**	**(387,783)**
NET INCOME	**₱2,971,572**	**₱636,862**	**₱3,151,695**	**(₱3,860,955)**	**₱2,899,174**
OTHER INFORMATION					
Investments	**₱64,844,783**	**₱1,067,992**	**₱197,254,859**	**(₱196,910,058)**	**₱66,257,576**
Segment Assets	**₱294,315,685**	**₱38,783,073**	**₱256,227,975**	**(₱159,023,053)**	**₱430,303,680**
Segment Liabilities	**₱170,556,507**	**₱31,016,927**	**₱88,376,953**	**(₱13,525,314)**	**₱276,425,073**
Depreciation and Amortization	**₱2,496,789**	**₱306,577**	**₱12,969**	**₱36,255**	**₱2,852,590**

March 31, 2021

	Power Generation	Power Distribution	Parent Company/ Others	Eliminations and Adjustments	Consolidated
REVENUE					
External	₱12,159,203	₱10,115,897	₱4,574,281	₱—	₱26,849,381
Inter-segment	6,396,859	298,065	179,399	(6,874,323)	—
Total Revenue	₱18,556,062	₱10,413,962	₱4,753,680	(₱6,874,323)	₱26,849,381
Segment Results	₱5,642,901	₱1,462,069	(₱239,891)	(₱1)	₱6,865,078
Unallocated corporate income (loss) - net	12,736	234,220	(135,048)	—	111,908
INCOME FROM OPERATIONS	5,655,637	1,696,289	(374,939)	(1)	6,976,986
Interest expense	(2,671,833)	(144,057)	(740,161)	—	(3,556,051)
Interest income	27,550	1,152	59,758	—	88,460
Share in net earnings of associates and joint ventures	3,741,771	62,204	7,161,033	(7,155,904)	3,809,104
Provision for income tax	(359,102)	(360,195)	(9,798)	—	(729,095)
NET INCOME	₱6,394,023	₱1,255,393	₱6,095,893	(₱7,155,905)	₱6,589,404
OTHER INFORMATION					
Investments	₱61,436,598	₱962,303	₱174,309,211	(₱173,951,618)	₱62,756,494
Segment Assets	₱284,594,259	₱33,376,517	₱221,810,364	(₱134,183,937)	₱405,597,203
Segment Liabilities	₱168,289,308	₱29,815,083	₱83,876,529	(₱11,635,972)	₱270,344,948
Depreciation and Amortization	₱2,367,846	₱287,552	₱11,621	₱36,255	₱2,703,274

19. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents and long-term debts. The main purpose of these financial instruments is to raise finances for the Group's operations. The Group has various other financial instruments such as trade and other receivables, investments in equity securities, short-term loans, trade and other payables, lease liabilities, long-term obligation on power distribution system and customers' deposits, which generally arise directly from its operations.

The Group also enters into derivative transactions, particularly foreign currency forwards, to economically hedge its foreign currency risk from foreign currency denominated liabilities and purchases and interest rate swap agreement to hedge its floating rate exposure on its foreign currency-denominated loan.

<u>Risk Management Structure</u>
The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Group.

Financial risk committee
The Financial Risk Committee has the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Group's approach to risk issues in order to make relevant decisions.

Treasury service group
The Treasury Service Group is responsible for the comprehensive monitoring, evaluating and analyzing of the Group's risks in line with the policies and limits.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, liquidity risk, commodity price risk and foreign exchange risk.

<u>Market Risk</u>
The risk of loss, immediate or over time, due to adverse fluctuations in the price or market value of instruments, products, and transactions in the Group's overall portfolio (whether on or off-balance sheet) is market risk. These are influenced by foreign and domestic interest rates, foreign exchange rates and gross domestic product growth.

<u>Liquidity risk</u>
Liquidity risk is the risk that an entity in the Group will be unable to meet its obligations as they become due. The Group manages liquidity risk by effectively managing its working capital, capital expenditure and cash flows, making use of a centralized treasury function to manage pooled business unit cash investments and borrowing requirements.

In managing its long-term financial requirements, the Group's policy is that not more than 25% of long-term borrowings should mature in any twelve-month period. 14.60% of the Group's debt will mature in less than one year as of March 31, 2022 (December 31, 2021: 13.67%). For its short-term funding, the Group's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

The financial assets that will be principally used to settle the financial liabilities presented in the following table are from cash and cash equivalents and trade and other receivables. Cash and cash equivalents can be withdrawn anytime while trade and other receivables are expected to be collected/realized within one year.

The following table summarizes the maturity profile of the Group's financial liabilities as of March 31, 2022 based on contractual undiscounted principal payments:

	Total carrying value	Contractual undiscounted principal payments				
		Total	On demand	<1 year	1 to 5 years	> 5 years
Short-term loans	₱17,932,045	₱17,932,045	₱—	₱17,932,045	₱—	₱—
Trade and other payables*	18,642,950	18,642,950	3,906,362	14,736,588	—	—
Long-term debts	188,785,532	190,059,337	—	18,508,545	85,214,082	86,336,710
Customers' deposits	7,430,834	7,430,834	—	—	501,450	6,929,384
Lease liabilities	32,162,072	37,673,785	—	10,432,310	25,679,288	1,562,187
Long-term obligation on PDS	170,496	200,000	—	40,000	160,000	
Derivative liabilities	30,476	30,476	—	30,427	49	—
	₱265,154,405	₱271,969,427	₱3,906,362	₱61,679,915	₱111,554,869	₱94,828,281

**Include the noncurrent portion of the PSALM deferred adjustment presented under noncurrent liabilities in the unaudited interim consolidated balance sheet.*

Commodity swap contracts

In 2018, TLI entered into commodity swap contracts to hedge the price volatility of forecasted coal purchases. The commodity swaps do not result in physical delivery of coal, but are designated as cash flow hedges to offset the effect of price changes in coal. TLI hedges approximately 30% of its expected coal purchases considered to be highly probable. There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign currency forward and commodity swap contracts match the terms of the expected highly probable forecasted transactions.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to its long-term debt obligations. To manage this risk, the Group determines the mix of its debt portfolio as a function of the level of current interest rates, the required tenor of the loan, and the general use of the proceeds of its various fund raising activities. As of March 31, 2022, 11% of the Group's long-term debt had annual floating interest rates ranging from 1.32% to 2.27%, and 89% have annual fixed interest rates ranging from 4.00% to 9.00%. As of December 31, 2021, 10% of the Group's long-term debt had annual floating interest rates ranging from 1.32% to 2.27%, and 90% have annual fixed interest rates ranging from 4.00% to 9.00%.

The following tables set out the carrying amounts, by maturity, of the Group's financial instruments that are exposed to cash flow interest rate risk:

As of March 31, 2022

	<1 year	**1-5 years**	**>5 years**	**Total**
Floating rate - long-term debt	**₱794,018**	**₱6,470,989**	**₱7,416,039**	**₱14,681,046**

As of March 31, 2021

	<1 year	1-5 years	>5 years	Total
Floating rate - long-term debt	₱6,149,322	₱13,796,561	₱7,835,336	₱27,781,219

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are non-interest-bearing and are therefore not subject to interest rate risk. The Group's derivative assets and liabilities are subject to fair value interest rate risk.

The interest expense and other financing costs recognized according to source are as follows:

	For the periods ended March 31	
	2022	2021
Short-term loans and long-term debt	**₱2,538,790**	₱2,476,541
Lease liabilities (Note 21)	**871,085**	1,023,494
Customers' deposits	**16**	22
Other long-term obligations	**85,959**	55,994
	₱3,495,850	₱3,556,051

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before tax (through the impact on floating rate borrowings):

	Increase (decrease) in basis points	Effect on income before tax
March 2022	**100**	**(₱146,810)**
	(50)	**73,405**
March 2021	100	(₱277,812)
	(50)	138,906

There is no other impact on the Group's equity other than those already affecting the unaudited interim condensed consolidated statements of income.

Foreign exchange risk
The foreign exchange risk of the Group pertains significantly to its foreign currency denominated obligations. To manage its foreign exchange risk, stabilize cash flows and improve investment and cash flow planning, the Group enters into foreign currency forward contracts aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on financial performance and cash flows. Foreign currency denominated borrowings account for 27% and 23.89% of total consolidated borrowings as of March 31, 2022 and December 31, 2021, respectively.

Presented below are the Group's foreign currency denominated financial assets and liabilities as of March 31, 2022 and December 31, 2021, translated to Philippine Peso:

	March 31, 2022		December 31, 2021	
	US Dollar	**Philippine Peso equivalent[1]**	US Dollar	Philippine Peso equivalent[2]
Financial assets:				
Cash and cash equivalents	**$164,528**	**₱8,512,679**	$65,645	₱3,347,829
Trade and other receivables	**2,180**	**112,793**	3,414	174,111
Total financial assets	**166,708**	**8,625,472**	69,059	3,521,940
Financial liabilities:				
Short-term loans	**1,060**	**54,844**	810	41,309
Trade and other payables	**29,959**	**1,550,079**	29,589	1,509,010
Long-term debt	**55,000**	**2,845,700**	55,000	2,804,945
Lease liabilities	**302,256**	**15,638,725**	321,601	16,401,329
Total financial liabilities	**388,275**	**20,089,348**	407,000	20,756,593
Total net financial liabilities	**($221,567)**	**(₱11,463,876)**	($337,941)	(₱17,234,653)

[1]$1 = 51.00
[2]$1 = 48.02

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rates, with all other variables held constant, of the Group's income before tax for the year ended March 31:

	Increase (decrease) in US Dollar	Effect on income before tax
2021		
US Dollar denominated accounts	**US Dollar strengthens by 5%**	**(₱573,194)**
US Dollar denominated accounts	**US Dollar weakens by 5%**	**573,194**
2021		
US Dollar denominated accounts	US Dollar strengthens by 5%	(₱749,521)
US Dollar denominated accounts	US Dollar weakens by 5%	749,521

The increase in US Dollar rate represents the depreciation of the Philippine Peso while the decrease in US Dollar rate represents appreciation of the Philippine Peso.

There is no other impact on the Group's equity other than those already affecting the unaudited interim consolidated statements of income.

Credit risk

For its cash investments (including restricted portion), financial assets at FVTPL and receivables, the Group's credit risk pertains to possible default by the counterparty, with a maximum exposure equal to the carrying amount of these investments. With respect to cash investments and financial assets at FVTPL, the risk is mitigated by the short-term and/or liquid nature of its cash investments mainly in bank deposits and placements, which are placed with financial institutions and entities of high credit standing. With respect to receivables, credit risk is controlled by the application of credit approval, limit and monitoring procedures. It is the Group's policy to only enter into transactions with credit-worthy parties to mitigate any significant concentration of credit risk. The Group ensures that sales are made to customers with appropriate credit history and it has internal mechanisms to monitor the granting of credit and management of credit exposures.

Concentration Risk

Credit risk concentration of the Group's receivables according to the customer category is summarized in the following table:

	March 31, 2022	December 31, 2021
Power distribution:		
Industrial	**₱7,174,477**	₱4,934,502
Residential	**2,747,127**	2,566,449
Commercial	**907,800**	778,568
City street lighting	**273,798**	109,700
Power generation:		
Power supply contracts	**11,664,692**	11,930,242
Non-power supply contracts	**2,357,744**	2,318,412
	₱25,125,638	₱22,637,873

Capital Management

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. The Group's policy is to keep the gearing ratio at 70% or below. The Group determines net debt as the sum of interest-bearing short-term and long-term loans (comprising long-term debt and lease liabilities) less cash and short-term deposits (including restricted cash).

Gearing ratios of the Group as of March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022	December 31, 2021
Short-term loans	**₱17,932,045**	₱18,625,546
Long-term debt	**188,785,532**	182,037,974
Lease liabilities	**32,162,072**	33,773,879
Cash and cash equivalents	**(53,613,883)**	(57,130,243)
Restricted cash	**(1,303,649)**	(4,073,381)
Net debt (a)	**183,962,117**	173,233,775
Equity	**153,878,605**	155,580,703
Equity and net debt (b)	**337,840,722**	328,814,478
Gearing ratio (a/b)	**54.45 %**	52.68 %

No changes were made in the objectives, policies or processes during the period ended March 31, 2022.

20. Financial Instruments

Fair Value of Financial Instruments

Fair value is defined as the amount at which the financial instrument could be sold in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced liquidation or sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, pricing services or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. For a financial instrument with an active market, the quoted market price is used as its fair value. On the other hand, if transactions are no longer regularly occurring even if prices might be available and the only observed transactions are forced transactions or distressed sales, then the market is considered inactive. For a financial instrument with no active market, its fair value is determined using a valuation technique (e.g. discounted cash flow approach) that incorporates all factors that market participants would consider in setting a price.

Set out below is a comparison by category of carrying amounts and fair values of the Group's financial instruments whose fair values are different from their carrying amounts.

	March 31, 2022		December 31, 2021	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Asset				
PSALM deferred adjustment	**₱836,649**	**₱800,098**	₱1,097,366	₱1,032,511
Financial Liabilities				
Lease liabilities	**₱32,162,072**	**₱29,873,075**	₱33,773,879	₱31,893,831
Long-term debt - fixed rate	**174,104,486**	**179,456,452**	167,148,931	171,255,721
PSALM deferred adjustment	**836,649**	**800,098**	1,097,366	1,032,511
Long-term obligation on power distribution system	**170,496**	**151,878**	165,532	151,878
	₱207,273,703	**₱210,281,503**	₱202,185,708	₱204,333,941

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents, trade and other receivables, short-term loans and trade and other payables. The carrying amounts of cash and cash equivalents, trade and other receivables, short-term loans and trade and other payables approximate fair value due to the relatively short-term maturity of these financial instruments.

Fixed-rate borrowings. The fair value of fixed rate interest-bearing loans is based on the discounted value of future cash flows using the applicable rates for similar types of loans.

Floating-rate borrowings. Since repricing of the variable-rate interest bearing loan is done on a quarterly basis, the carrying value approximates the fair value.

Lease liabilities. The fair value of the lease liabilities was calculated by discounting future cash flows using applicable interest rates.

Long-term obligation on PDS and PSALM deferred adjustment. The fair value of the long-term obligation is calculated by discounting expected future cash flows at prevailing market rates.

Customers' deposits. The fair value of bill deposits approximates the carrying values as these deposits earn interest at the prevailing market interest rate in accordance with regulatory guidelines.

The timing and related amounts of future cash flows relating to transformer and lines and poles deposits cannot be reasonably and reliably estimated for purposes of establishing their fair values using an alternative valuation technique.

Financial assets at FVTPL. These equity securities are carried at fair value.

Derivative financial instruments. The fair value of forward contracts is calculated by reference to prevailing interest rate differential and spot exchange rate as of valuation date, taking into account its remaining term to maturity. The fair value of the embedded prepayment options is determined using Binomial Option Pricing Model which allows for the specification of points in time until option expiry date. This valuation incorporates inputs such as interest rates and volatility. The fair value of the interest rate swap and interest rate cap are determined by generally accepted valuation techniques with reference to observable market data such as interest rates.

The Group enters into non-deliverable short-term forward contracts with counterparty banks to manage its foreign currency risks associated with foreign currency-denominated liabilities and purchases.

The Group also entered into an interest rate swap agreement to fully hedge its floating rate exposure on its foreign currency-denominated loan and par forward contracts to hedge the floating rate exposure on foreign-currency denominated payments.

The Group also entered into commodity swap contracts to hedge the price volatility of its forecasted coal purchases.

The movements in fair value changes of all derivative instruments for the three-month period ended March 31, 2022 and for the year ended December 31, 2021 are as follows:

	2022	2021
At beginning of period	**₱1,065,927**	(₱1,788,802)
Net changes in fair value of derivatives designated as cash flow hedges	**5,212,655**	2,422,452
Net changes in fair value of derivatives not designated as accounting hedges	**47,575**	18,333
Fair value of settled instruments	**(23,107)**	413,944
At end of period	**₱6,303,050**	₱1,065,927

<u>Fair Value Hierarchy</u>
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As of March 31, 2022, the Group held the following financial instruments that are measured and carried or disclosed at fair value:

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
Derivative assets	**₱6.333.526**	**₱—**	**₱6.333.526**	**₱—**
Derivative liabilities	**30.476**	–	**30.476**	–
Disclosed at fair value:				
Lease liabilities	**29.873.075**	–	–	**29.873.075**
Long-term debt - fixed rate	**179.456.452**	–	–	**179.456.452**
Long-term obligation on PDS	**151.878**	–	–	**151.878**
PSALM deferred adjustment	**800.098**	–	–	**800.098**

During the three-month period ended March 31, 2022, there were no transfers between level 1 and level 2 fair value measurements and transfers into and out of level 3 fair value measurement.

21. Leases

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Land	Building	Power Plant	Equipment and Others	Total	Lease liabilities
As at January 1, 2022	₱2,923,429	₱53,060	₱31,405,054	₱152,741	₱34,534,284	₱33,773,879
Amortization expense	(45,177)	(7,056)	(262,493)	(2,616)	(317,342)	—
Interest expense	–	–	–	–	—	871,085
Payments	–	–	–	–	—	(2,946,503)
Others	—	—	—	6,573	6,573	463,611
As at March 31, 2022	₱2,878,252	₱46,004	₱31,142,561	₱156,698	₱34,223,515	₱32,162,072

Set out below, are the amounts recognized in the unaudited interim consolidated statements of income:

	For the periods ended March 31	
	2022	2021
Amortization expense of right-of-use assets	**₱317,342**	₱312,153
Interest expense on lease liabilities	**871,085**	1,023,494
Rent expense - short-term leases	**19,775**	19,000
	₱1,208,202	₱1,354,647

22. Retained Earnings

a. On March 4, 2022, the BOD approved the declaration of regular cash dividends of ₱1.45 a share (₱10.67 billion) to all stockholders of record as of March 18, 2022. These dividends were paid on March 30, 2022.

b. The balance of retained earnings includes the accumulated equity in net earnings of subsidiaries, associates and joint arrangements amounting to ₱69.80 billion and ₱77.58 billion as at March 31, 2022 and December 31, 2021, respectively. Such amounts are not available for distribution until such time that the Company receives the dividends from the respective subsidiaries, associates and joint arrangements.

23. Disclosures

1. COVID 19

The Philippines has been placed in a stringent community quarantine, varying in terms of degree and location since the COVID-19 outbreak in 2020. The community quarantine negatively affects business, especially those that are not considered essentials.

The Group has experienced the negative effect of the COVID-19 pandemic in its 2020 operations, but on a lesser magnitude. This includes lower energy dispatch level because of the decreased demand during the community quarantines as well as certain delays in terms of collections of energy billings because of the staggered payment scheme implemented by the Energy Regulatory Commissions in 2020. In addition, because of the decrease in energy demand, market prices are down. Significant improvements have been felt starting on the latter part of 2020, as the economy started to improve, and has been continuing during the first three months of 2022.

The Group has an in-placed and extensive business continuity plan on similar risk, including the lay out of the necessary steps that will help address or minimize the Group's business exposures. However, considering the evolving nature of this outbreak, the Group will continue to monitor the situation and adjust the steps it is currently implementing in subsequent periods.

2. Seasonality of Interim Operations

Operations of hydropower plants are generally affected by climatic seasonality. Seasonality and location have a direct effect on the level of precipitation. In Luzon where rainy and summer seasons are more pronounced, higher rainfall is normally experienced in the months of June to September. As such, the hydropower plants located in Luzon operate at their maximum capacity during this period. In contrast, the hydropower plants in Mindanao experience a well-distributed rainfall throughout the year, with a slightly better precipitation during the months of December to April. This precipitation seasonality greatly affects subsidiary companies HI, HSI, Hedcor

Tudaya, Hedcor Sabangan and LHC, which operate 'run-of-river' hydropower plants since these plants do not have any means to impound water.

Any unexpected change in the seasonal aspects will have no material effect on the Group's financial condition or results of operations.

3. Pagbilao IPP Administration Agreement

TLI and PSALM executed the IPP Administration Agreement wherein PSALM appointed TLI to manage the 700MW contracted capacity (the "Capacity") of NPC in the coal-fired power plant in Pagbilao, Quezon.

The IPP Administration Agreement includes the following obligations TLI would have to perform until the transfer date of the power plant (or the earlier termination of the IPP Administration Agreement):

1. Supply and deliver all fuel for the power plant in accordance with the specifications of the original Energy Conservation Agreement (ECA); and
2. Pay to PSALM the monthly payments (based on the bid) and energy fees (equivalent to the amount paid by NPC to the IPP).

TLI has the following rights, among others, under the IPP Administration Agreement:

a. The right to receive, manage and control the Capacity of the power plant for its own account and at its own cost and risk;
b. The right to trade, sell or otherwise deal with the Capacity (whether pursuant to the spot market, bilateral contracts with third parties or otherwise) and contract for or offer related ancillary services, in all cases for its own account and its own risk and cost. Such rights shall carry the rights to receive revenues arising from such activities without obligation to account therefore to PSALM or any third party;
c. The right to receive the transfer of the power plant at the end of the IPP Administration Agreement (which is technically the end of the ECA) for no consideration; and
d. The right to receive an assignment of NPC's interest to existing short-term bilateral Power Supply Contract from the effective date of the IPP Administration Agreement the last of which were scheduled to end in November 2011.

4. Property, Plant and Equipment

During the three-month period ended March 31, 2022, the Group's additions to property, plant and equipment amounted to ₱1.73 billion.

5. Dividends to Non-controlling Interests

The Group's material partly-owned subsidiary, VECO, paid cash dividends amounting to nil and ₱938.1 million to non-controlling interests during the three-month periods ended March 31, 2022 and 2021, respectively.

6. Contingencies

The Group is a party to certain proceedings and legal cases with other parties in the normal course of business. The ultimate outcome of these proceedings and legal cases cannot be presently determined. Management, in consultation with its legal counsels, believes that it has substantial legal and factual bases for its positions and is currently of the opinion that the likely outcome of these proceedings and legal cases will not have a material adverse effect on the Group's financial position and operating results. It is possible, however, that the future results of operations could be materially affected by changes in estimates or in the effectiveness of the strategies relating to these proceedings and legal cases.

The Company obtained Standby Letters of Credit and is acting as surety for the benefit of certain associates and a subsidiary in connection with loans and credit accommodations.

SCHEDULE A - USE OF PROCEEDS

1. Series “B" and "C" of the Thirty Billion Shelf Registration issued in 2021

As of March 31, 2022, the proceeds from the 2021 bonds were utilized for the following:

Name of Project	Projected Usage (Per Prospectus)	Actual Usage
Partially fund the equity contributions for the construction	1,000,000	677,000
Refinancing of the 2020 Series E Bonds Maturing in 2022	9,000,000	—
Fund future renewable projects	1,839,849	—
Bond issuance costs	160,151	150,195
TOTAL	12,000,000	827,195

	Per Final Prospectus	Actual
Gross proceeds	12,000,000	12,000,000
Net proceeds	11,839,849	11,849,805

Balance of the proceeds as of March 31, 2022:	₱11,172,805

2) Series “D" and "E" of the Thirty Billion Shelf Registration issued in 2022

As of March 31, 2022, the proceeds from the 2021 bonds were utilized for the following:

Name of Project	Projected Usage (Per Prospectus)	Actual Usage
Early redemption of the 2018 Series B Bonds	7,700,000	—
Fund future renewable projects	2,165,427	—
Bond issuance costs	134,573	9,663
TOTAL	10,000,000	9,663

	Per Final Prospectus	Actual
Gross proceeds	10,000,000	10,000,000
Net proceeds	9,865,427	9,990,337

Balance of the proceeds as of March 31, 2022:	₱9,990,337

SCHEDULE B – RELEVANT FINANCIAL RATIOS

	Formula	March 31, 2022	December 31, 2021
LIQUIDITY RATIOS			
Current ratio	Current assets / Current liabilities	**1.57**	1.53
Acid test ratio	(Cash + Marketable securities + Accounts receivable + Other liquid assets) / Current liabilities	**1.30**	1.25
SOLVENCY RATIOS			
Debt to equity ratio	Total liabilities / Total equity	**1.80**	1.75
Asset to equity ratio	Total assets / Total equity	**2.80**	2.75
Net debt to equity ratio	(Debt - Cash & cash equivalents) / Total equity	**1.20**	1.11
Gearing ratio	(Debt - Cash & cash equivalents) / (Total equity + (Debt - Cash & cash	**54.45%**	52.68%
Interest coverage ratio	EBIT / Interest expense	**n.a**	2.86
PROFITABILITY RATIOS			
Operating margin	Operating profit / Total revenues	**n.a**	21%
Return on equity	Net income after tax / Total equity	**n.a**	18%

*Ratio marked * is deemed not applicable (n.a.) for the interim reporting period since this would not be comparable to the ratio reported in the previous period.*

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

1.) AGING OF RECEIVABLES

As of March 31, 2022

	30 Days	60 Days	90 Days	Over 90 Days	Total
Trade receivables					
Power Distribution Customers	3,308,269	1,267,783	131,006	2,084,767	6,791,825
Power Generation Customers	9,230,270	272,898	182,972	4,336,296	14,022,436
Management & Other Services Customers	4,181,306	46,246	16,614	67,211	4,311,377
	16,719,845	1,586,927	330,592	6,488,274	25,125,638
Less : Allowance for estimated credit losses					3,550,056
Net trade receivables					21,575,582
Non-trade receivables	7,064,281	724	464	16,167	7,081,636
Grand Total	23,784,126	1,587,651	331,056	6,504,441	28,657,218

2.) ACCOUNTS RECEIVABLE DESCRIPTION

Type of Receivable	Nature / Description	Collection Period
Trade	uncollected billings to customers for sale of power, goods and services	30 - 60 days
Non-Trade	claims, operating cash advances and advances to suppliers & employees	30 - 120 days

3.) NORMAL OPERATING CYCLE

Power Subsidiaries

Distribution	- 60 days
Generation	- 65 days