

# COVER SHEET

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Sec. Registration Number

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(Company's Full Name)

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

Mr. Niño Ray D. Aguirre

Contact Person

8810 44 74 to 77

Company Telephone Number

0	9
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Month

3	0
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Day

Calendar Year

SEC FORM

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FORM TYPE

0	5
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Month

3	0
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Day

Annual Meeting

Secondary License Type, if Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

\_\_\_\_\_

Total No. of Stockholders

\_\_\_\_\_

Domestic

\_\_\_\_\_

Foreign

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To be accomplished by SEC Personnel concerned

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File Number

LCU

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DOCUMENT I.D.

Cashier

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended September 30, 2024
2. SEC Identification Number AS94002365 3. BIR Tax Identification No. 003-868-048-00000
4. SPC POWER CORPORATION  
Exact name of the issuer as specified in its charter
5. Metro Manila, Philippines 6. [REDACTED] (SEC Use Only)  
Province, country, or other jurisdiction Industry Classification Code:  
of incorporation
7. 7<sup>th</sup> FL, BDO Towers Paseo, 8741, Paseo de Roxas, Makati City, 1209  
Address of Issuer's principal office Postal Code
8. (63 2) 8810-4474 to 77  
Issuer's telephone number, including area code
9. 7<sup>th</sup> FL, Cebu Holdings Center, Archbishop Reyes Avenue, Cebu Business Park, Cebu City  
Former name of former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Section 4 and 8 of the RSA
  - a. Title of Each Class
  - b. Number of Shares of Common Stock  
Outstanding and Amount of Debt  
Outstanding

Common Shares (as of September 30, 2024)	1,496,551,803 shares
Total Debt (as of September 30, 2024)	-

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

Yes [ ☒ ] No [ ☐ ]

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

Philippine Stock Exchange common shares

12. Check whether the issuer:

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

Yes [ ☒ ]      No [ ☐ ]

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

Yes [ ☒ ]      No [ ☐ ]

## **PART I – FINANCIAL INFORMATION**

### **ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated interim financial statements of the Parent Company and its Subsidiaries (the “Group”) are attached herewith as follows:

1. Consolidated Statements of Financial Position – September 30, 2024 (unaudited and restated) and December 31, 2023 (audited).
2. Consolidated Statements of Comprehensive Income – Three Months Ended September 30, 2024 and 2023 (unaudited and restated).
3. Consolidated Statements of Comprehensive Income – Nine Months Ended September 30, 2024 and 2023 (unaudited and restated).
4. Consolidated Statements of Changes in Stockholders’ Equity – Nine Months Ended September 30, 2024 and 2023 (unaudited and restated).
5. Consolidated Statements of Cash Flows – Nine Months ended September 30, 2024 and 2023 (unaudited and restated).
6. Notes to the Consolidated Interim Financial Statements.

All the financial statements except the consolidated statements of financial position are restated due to Bohol Light Company, Inc.'s. (BLCI) transfer of ownership interest to Primelectric Holdings, Inc. (PHI) through private sale. These results in the deconsolidation of BLCI from the consolidated interim financial statements.

### **ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

Hereunder is management’s discussion and analysis of the significant factors affecting the financial performance, financial position and cash flows of the Parent Company and Subsidiaries (collectively referred to as the “Group”). The discussion and analysis should be read in conjunction with the accompanying interim consolidated financial statements and the notes thereto as well as the schedules and disclosures set forth elsewhere in this report.

#### **Financial Conditions and Results of Operations**

##### **Results of Operations**

##### **Three Months Ended September 30, 2024 and 2023**

The Group registered a total comprehensive income of ₱258.1 million in the third quarter of 2024, 34.6% lower compared to the same period last year of ₱394.9 million. The decrease was brought about by the decline in revenue coupled with higher fuel costs and the deconsolidation of its



distribution utility due to the sale of BLCI shares resulting in transfer of ownership. As the Group's Ancillary Services Procurement Agreements (ASPA) expires, available capacity is sold to Wholesale Electricity Spot Market (WESM) and Reserve Market.

Equity share in net earnings of associates decreased by 18.5% to ₱110.6 million in 2024 from ₱135.7 million a year earlier. KEPCO SPC Power Corporation (KSPC)'s share slightly increased resulting from lower coal prices and increase in its WESM revenue as the available capacity of expiring PSCs are now being sold to WESM. On the other hand, Mactan Electric Company (MECO) generated higher revenue and other income from this quarter; however, this was surpassed by the higher operating and administrative costs.

Consolidated revenues from continuing operations declined by 20.1% to ₱698.8 million in the third quarter of 2024 from ₱874.8 million in the same period last year. Despite the increase in the energy generated and sold by the power generating segment, there is a decrease in revenue due to: (i) the expiration of SPC Island Power Corporations (SIPC) ASPA contracts in April and September 2024 (ii) significant portion of revenue pertaining to ASPA with dispatch was offsetted by National Grid Corporation of the Philippines (NGCP) to prior periods' excess WESM revenue. Revenue from the distribution segment is now classified under discontinued operations as the group's shares in BLCI were sold on September 12, 2024.

The consolidated cost of operations increased by 6.5% in 2024 from ₱625.0 million in 2023 caused by rising global fuel prices, increase in usage of lubricants, spares, materials & supplies and repairs & maintenance resulting to lower gross margin by 86.7% to ₱33.2 million in 2024 from the previous year's ₱249.7 million.

The consolidated general and administrative expenses decreased by 38.0% to ₱39.9 million in 2024 from ₱64.3 million a year earlier, due mainly to personnel retirement related expenses and business development consultancy fees.

Interest income went down by 13.2% to ₱39.3 million in 2024, from the previous year's ₱45.2 million due to lower cash balances available for short-term money market placements as the Company paid cash dividend in previous quarters as well as lower bank interest rates.

The sale of the group's shares in BLCI resulted in a ₱200.0 million gain, which has substantially contributed to the current year's consolidated net income.

Other income surged by 33.8% to ₱288.6 million this year from ₱215.8 million in 2023 attributable to the gain on sale of BLCI shares net of the decreases in the equity share in net earnings of associates as well as in interest income and the unrealized loss in foreign exchange.

Provision for income tax went down by 67.4% to ₱12.5 million in 2024, from the previous year's ₱38.4 million because of this year's overall decline in taxable income.

### **Nine Months Ended September 30, 2024 and 2023**

The Group's total comprehensive income amounts to ₱1,012.8 million for the period ending September 2024, 17.1% lower compared to previous year's level of ₱1,221.0 million. The decline in gross margin due to higher cost of energy as well as the WESM revenue reconciliation with NGCP

as ASPA contract expires contributed to the decline offset by the gain on sale of BLCI shares amounting to ₱200.0 million.

At the end of September 2024, the results of operations showed a return on average equity of 9.2% and earnings per share of ₱0.65 which is lower by 19.0% in the same period last year.

Equity share from the earnings of the investee companies (namely, KSPC and MECO) comprised the bulk of the Group's total comprehensive income in 2024, accounting for 60.1% of the total.

The generation business segment, which made up 38.4% of the group's net income, pitched in ₱389.0 million, 30.6% lower compared to ₱560.7 million in the same period last year.

Consolidated revenues rose by 5.3% to ₱2,363.1 million in 2024, from ₱2,244.3 million in 2023, due mainly to higher energy dispatched in the power generation segment and higher pass-through cost of fuel reduced by WESM revenue reconciliation with NGCP as ASPA contract expires.

Cost of services increased substantially by 39.2% in 2024 from ₱1,533.9 million in 2023, due mainly to higher energy generated and sold during the current year which resulted in increased fuel costs, lubricants, materials & supplies and repairs and maintenance.

Gross margin declined by 67.8% to ₱228.5 million in the first three quarters of 2024, as compared to the same period of 2023 amounting to ₱710.4 million.

General and administrative expenses decreased by 19.1% to ₱142.7 million at end of Sept 2024, from ₱176.3 million a year earlier due to personnel retirement related expenses, business development consultancy fees and taxes and licenses paid in 2024.

Interest income surged by 18.0% to ₱128.9 million in 2024 from the previous year's ₱109.2 million. This is because of higher average interest rates in 2024 as well as higher temporary excess cash at the first half of the year invested in short-term money market placements.

The sale of the Group's shares in BLCI resulted in a ₱200.0 million gain, which has substantially contributed to the current year's net income.

Provision for income tax went down by 60.3% to ₱42.8 million in 2024, from the previous year's ₱107.9 million due to lower taxable income.

The Group presented BLCI's results of operations as Income from discontinued operations amounting to ₱15.8 million for the period ended September 12, 2024, the date of sale, and ₱50.6 million for the period ended September 30 in the previous year.

## **Financial Condition**

### **September 30, 2024 vs. December 31, 2023**

The Group's **consolidated assets** at the end of September 2024 were ₱11,256.8 million, 10.2% lower than the audited balance of ₱12,531.2 million at the end of 2023 due to the sale of the group's



investment in BLCI in September 2024, lower cash and cash equivalents balance affected by the payment of liabilities and cash dividends declared net of the cash dividends received from affiliates.

By the end of September 2024, **total liabilities** had decreased to ₱621.0 million, 49.2% lower than the start of the year ₱1,223.4 million, mostly due to payment of fuel deliveries last quarter and payment of dividends payable and the deconsolidation of BLCI's Customer deposits amounting to ₱193.9 million.

In line with this, **total stockholders' equity** went down by 5.9% to ₱10,635.8 million this year, from ₱11,307.7 million at the start of the year. This decrease was attributed to comprehensive income attributable to Parent Company equity holders, net of interim cash dividends declared amounting ₱897.9 million and ₱598.6 million in February 7, 2024 and April 26, 2024, respectively. It also includes the reversal of the equivalent minority interests amounting to ₱144.2 million as a result of BLCI's deconsolidation.

**Trade and other receivables** declined by 40.1% to ₱388.7 million this quarter from ₱649.1 million last year, due to lower production output in the latter month of the year and the collection of sales from WESM during the period.

**Inventories** grew by 0.3% to ₱400.6 million, from the previous year's ₱399.4 million, due mainly to higher volume of fuel inventory.

**Prepayments and other current assets** decreased by 53.3% to ₱39.1 million this year, from ₱83.7 million due mainly to this year's expired insurance premiums and accumulated input tax applied against output tax.

**Investment in associates** is 3.7% lower compared to ₱5,815.8 million at the end of December 2023. The decrease pertains to the sale of investment in BLCI amounting to ₱74.9 million and dividends received from associates as of September 30, 2024 amounting to ₱1,001.2 million net of the additional investment to MECO amounting to ₱199.6 million proportional to the increase in its authorized capital stock and the ₱608.0 million share in net earnings from investee companies.

**Property, plant and equipment** declined by 38.5% to ₱453.3 million this quarter from ₱736.6 million last year due to the deconsolidation of BLCI's fixed assets in 2024.

**Trade and other payables** decreased by 43.8% to ₱414.9 million from ₱737.7 million due mainly to payment of fuel deliveries last quarter.

**Customers' deposits** and **Other noncurrent liability** amounting to ₱193.9 million and ₱1.8 million, respectively has been cleared off this year to reflect the deconsolidation of BLCI.

**Unappropriated retained earnings** decreased by ₱526.5 million or 5.5% to ₱9,071.5 million from ₱9,598.0 million. The decrease is reflective of the net effect of the following: (i) increase due to net income attributable to equity holders of the Parent Company amounting to ₱970.1 million (ii) deconsolidation of BLCI and (iii) decrease due to payment of interim cash dividends declared on February 7, 2024 and April 26, 2024 amounting to ₱897.9 million and ₱598.6 million, respectively.

## Cash Flows

The Group's cash flow and liquidity remains strong and the Group has material headroom to fund investment and further capital management initiatives.

Cash and cash equivalents decreased by 9.2% to ₱4,306.4 million as at end- September 2024 from ₱4,743.0 million. Cash and cash equivalents are discussed further under Cash Flows below.

Net cash provided by operating activities decreased by 86.9% to ₱353.3 million this period due to payment of fuel deliveries and customers' deposits.

Net cash provided by investing activities increased by 1285.3% to ₱1,094.1 million this quarter from ₱79.0 million mainly because of the cash dividends received during the period.

Net cash used in financing activities increased by 735.9% to ₱1,598.3 million this period from ₱191.2 million due to the payment of cash dividends and payment of lease liabilities.

Major source of cash and cash equivalents during the period was from (i) cash dividends received from investee companies amounting to ₱1,021.2 million and (ii) proceeds from sale of BLCI shares amounting to ₱307.2 million.

The major application of funds this period were: (i) payment of interim cash dividends amounting to ₱1,598.8 million, (ii) additional investment in an associate amounting to ₱199.6 million, and (iii) new additions to property, plant and equipment amounting to ₱34.1 million.

## Discontinued Operations

The SPC Board, in a special meeting on April 24, 2024, approved the sale of the corporation's 29,925,000 common shares in Bohol Light Company, Inc. (BCLI) for ₱6.67 per share to Primelectric Holdings, Inc. (PHI). SPC Light Company, Inc. (SLCI), one of SPC's subsidiaries and part of the group, also sold its entire 16,125,000 shares in BLCI to PHI for the same selling price per share with SPC. The sale is in accordance with the terms and conditions of a Share Purchase Agreement and other definitive documents entered into by the parties. On September 12, 2024, the parties signed the respective Deed of Absolute Sale covering the SPCs 29,925,000 common shares for and in consideration of ₱199.5 million and for SLCI's 16,125,000 common shares in BLCI for ₱107.6 million proceeds.

The following are the summary of the company's relevant financial information:

	as of September 12, 2024	as of December 31, 2023
<b>Statement of Financial Position:</b>		
Current assets	373,455,771	483,672,090
Noncurrent assets	271,960,521	280,114,729
Current liabilities	215,590,392	261,784,231
Noncurrent liabilities	208,795,264	206,737,346
Equity	221,030,636	295,265,242

	<b>For Three Months ended</b>	
	September 12, 2024	September 30, 2023

**Statements of Comprehensive Income:**

Revenue	166,949,457	451,571,448
Cost and expenses	178,232,461	419,512,397
Net Income (after tax)	(11,283,004)	32,059,051.00

	<b>For Nine Months ended</b>	
	September 12, 2024	September 30, 2023

**Statements of Comprehensive Income:**

Revenue	817,595,858	1,318,446,556
Cost and expenses	801,830,459	1,267,865,885
Net Income (after tax)	15,765,399	50,580,671

**Key Performance Indicators**

The following financial indicators are used, among others, to evaluate the performance of the Group as of September 30, 2023 and December 31, 2023 and for the nine months ended September 30, 2024 and 2023 (balances in 2023 were restated as a result of the deconsolidation of BLCI):

	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Earnings Per Share	₱0.65	₱0.80
Share In Net Earnings of Associates	₱608,025,133	₱609,687,355
Return on Equity (total comprehensive income divided by average total equity)	9.20%	10.95%
Return on Assets (total comprehensive income divided by average total assets)	8.52%	10.23%
Net cash flows generated from operating activities	₱53,335,813	₱406,622,394



	For the nine months ended September 30	
Net cash flows provided by investing activities	₱1,094,127,027	₱78,981,024
Net cash flows used in financing activities	(₱1,598,330,863)	(₱191,220,255)
Solvency ratio (total comprehensive income before depreciation and amortization divided by total liabilities)	1.68	1.00
	<b>Sep. 30, 2024</b>	<b>Dec. 31, 2023</b>
Cash and cash equivalents at end of period	₱4,306,380,338	₱4,743,043,034
Current ratio (total current assets divided by current liabilities)	10.69	6.75
Debt ratio (total liabilities divided by total assets)	0.06	0.10
Debt-to-equity ratio (total liabilities divided by total equity)	0.06	0.11

Further descriptions of the performance indicators are shown below:

#### **Earnings Per Share (EPS)**

EPS is a measure of profitability representing net income attributable to equity holders divided by the weighted average number of shares outstanding as of the end of the relevant period.

#### **Share in Net Earnings of Associates**

This indicates profitability of the investments and investees' contribution to the Group's net income. It is determined by multiplying the associate's net income by the investor's percentage of ownership, less goodwill impairment cost, if any. Goodwill is the difference between the acquisition cost of the investment and the investor's share in the value of the net identifiable assets of the investee at the date of acquisition.

#### **Return on Equity**

Return on Equity is derived by dividing total comprehensive income by average total stockholders' equity. This ratio indicates the level of profit earned by the Group in comparison with the total amount of stockholders' equity found in the statements of financial position. The higher the return on equity, the higher the Group's ability to produce internally generated cash flows. Moreover, the higher the Group's return on equity compared to other companies in the same industry, the better.



### **Return on Assets**

Return on Assets is derived by dividing total comprehensive income by average total assets. This ratio measures the ability of the Group's management to realize an adequate return on the average total resources employed for the business. A high percentage rate indicates how the Group is well run and has a healthy return on assets employed.

### **Cash Flows**

The Group uses the Statements of Cash Flows to determine the sources and application of funds for the period and to analyze and evaluate how the sources and uses of capital are being managed.

### **Current Ratio**

Current Ratio is derived by dividing total current assets by total current liabilities. This ratio is a rough indication of the Group's ability to service its current obligations. The higher the current ratio, the greater the Group's ability to pay its current obligations.

### **Debt Ratio**

Debt ratio is derived by dividing total liabilities by total assets. The ratio indicates the degree of protection provided for the Group's creditors. A high ratio generally indicates greater risk being assumed by creditors. On the other hand, a low ratio indicates greater long-term financial safety.

### **Debt-to-Equity Ratio**

Debt-to-equity ratio is derived by dividing total liabilities by total equity. The ratio indicates how leveraged the Group is. It compares the resources provided by creditors against the resources provided by the stockholders in running the business of the Group.

### **Solvency Ratio**

Solvency Ratio is derived by dividing the sum of total comprehensive income, depreciation and amortizations by the sum of long-term and short-term liabilities. This ratio provides another measurement of how likely the Group will be able to continue meeting its debt obligation. The higher the ratio, the greater the Company's ability to continue meeting its debt obligations.

### **Any Significant Elements of Income or Loss from Continuing Operations**

There are no significant elements of income or loss from continuing operations.

### **Major Subsequent Events**

There are no major subsequent events that happened after September 30, 2024, up to the release of the Quarterly Report on November 13, 2024.

#### **Material Off-Balance Sheet Items**

There are no material off-balance sheet transactions, arrangements, obligations, and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

#### **Material Commitments for Capital Expenditures**

As of September 30, 2024, there are no material commitments for capital expenditures other than in the ordinary course of business to improve power generation and distribution facilities. Funding comes from internally generated cash from operations.

#### **Known Trends, Events, and Uncertainties which may have Material Impact on the Registrant**

The SPC Board, in a special meeting on April 24, 2024, approved the sale of the corporation's 29,925,000 common shares in Bohol Light Company, Inc. (BLCI) for ₱6.67 per share to Primelectric Holdings, Inc. (PHI). SPC Light Company, Inc. (SLCI), one of SPC's subsidiaries and part of the group, also sold its entire 16,125,000 shares in BLCI to PHI for the same selling price per share with SPC. The sale is in accordance with the terms and conditions of a Share Purchase Agreement and other definitive documents entered into by the parties. On September 12, 2024, the parties signed the respective Deed of Absolute Sale covering the SPCs 29,925,000 common shares for and in consideration of ₱199.5 million and for SLCI's 16,125,000 common shares in BLCI for ₱107.6 million proceeds.

Except as already discussed above and in the notes to the interim consolidated financial statements, management is not aware of any other trend, event or uncertainty to have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations. Management is likewise not aware of any other event that will trigger a direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.

## 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.

### **SPC POWER CORPORATION**

*Issuer*

*By:*



EDGARDO S. CABRAL, JR.

*Finance Manager*

Date: November 13, 2024



NIÑO RAY D. AGUIRRE

*VP-Finance & Treasurer*

Date: November 13, 2024

**SPC POWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Amounts in Philippine Pesos)

	Sep. 30, 2024	Dec. 31, 2023	Incr. / (Decr.)	
	(Unaudited)	(Audited)	Amount	Percent
	(Restated)			
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	4,306,380,338	4,743,043,034	(436,662,696)	(9.2%)
Trade and other receivables - net	388,699,479	649,107,657	(260,408,178)	(40.1%)
Inventories - at cost	400,577,378	399,393,666	1,183,712	0.3%
Prepayments and other current assets	39,062,791	83,709,811	(44,647,020)	(53.3%)
Total Current Assets	5,134,719,986	5,875,254,168	(740,534,182)	(100.0%)
<b>Noncurrent Assets</b>				
Investment in associates	5,602,172,090	5,815,751,427	(213,579,337)	(3.7%)
Property, plant and equipment - net	453,318,261	736,630,614	(283,312,353)	(38.5%)
Deferred income tax assets	31,917,826	35,457,044	(3,539,218)	(10.0%)
Goodwill	-	32,522,016	(32,522,016)	(100.0%)
Intangible Assets	760,314	2,171,373	(1,411,059)	(65.0%)
Other noncurrent assets - net	33,885,067	33,371,571	513,496	1.5%
Total Noncurrent Assets	6,122,053,558	6,655,904,045	(533,850,487)	(200.0%)
<b>TOTAL ASSETS</b>	<b>11,256,773,544</b>	<b>12,531,158,213</b>	<b>(1,274,384,669)</b>	<b>(10.2%)</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Current Liabilities</b>				
Trade and other payables	414,943,213	737,676,850	(322,733,637)	(43.8%)
Income tax payable	2,343,878	10,919,560	(8,575,682)	(78.5%)
Current portion of lease liabilities	2,200,254	2,200,254	-	0.0%
Dividends payable	60,860,001	119,577,816	(58,717,815)	(49.1%)
Total current liabilities	480,347,346	870,374,480	(390,027,134)	(200.0%)
<b>Noncurrent Liabilities</b>				
Customers' deposits	-	193,914,394	(193,914,394)	(100.0%)
Asset retirement obligation	93,069,477	93,069,477	-	0.0%
Net pension liabilities	23,090,027	37,166,411	(14,076,384)	(37.9%)
Deferred income tax liabilities	18,698,834	19,725,739	(1,026,905)	(5.2%)
Lease liabilities - net of current portion	5,755,457	7,359,242	(1,603,785)	(21.8%)
Other noncurrent liability	-	1,839,924	(1,839,924)	(100.0%)
Total noncurrent liabilities	140,613,795	353,075,187	(212,461,392)	(300.0%)
Total Liabilities	620,961,141	1,223,449,667	(602,488,526)	(49.2%)
(Forward)				



**SPC POWER CORPORATION AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**(Amounts in Philippine Pesos)**

	Sep. 30, 2024	Dec. 31, 2023	Incr. / (Decr.)	
	(Unaudited)	(Unaudited)		
	(Restated)	(Restated)	Amount	Percent
<b>Stockholders' Equity</b>				
Capital stock - P1 par value				
Authorized - 2,000,000,000 shares				
Issued - 1,569,491,900 shares	1,569,491,900	1,569,491,900	-	0.0%
Additional paid-in capital	86,810,752	86,810,752	-	0.0%
Retained earnings:				
Unappropriated	9,071,511,697	9,598,002,269	(526,490,572)	(5.5%)
Appropriated	-	-	-	
Other comprehensive income:				
Remeasurement of employee benefits	(1,021,498)	1,208,496	(2,229,994)	(184.5%)
on financial asset at FVOCI	13,350,000	13,350,000	-	0.0%
benefits of associates	2,941,249	2,941,249	-	0.0%
Treasury stock at cost - 72,940,097 shares	(131,008,174)	(131,008,174)	-	0.0%
Equity attributable to equity holders				
of Parent	10,612,075,926	11,140,796,492	(528,720,566)	(4.7%)
Equity attributable to Non-controlling				
interests	23,736,477	166,912,054	(143,175,577)	(85.8%)
Total Equity	10,635,812,403	11,307,708,546	(671,896,143)	(5.9%)
<b>TOTAL LIABILITIES and EQUITY</b>	<b>11,256,773,544</b>	<b>12,531,158,213</b>	<b>(1,274,384,669)</b>	<b>(10.2%)</b>

*See accompanying Notes to Consolidated Financial Statements.*

**SPC POWER CORPORATION AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(Amounts in Philippine Pesos)**

	For the three months ended September 30		Increase / (Decrease)	
	2024 (Unaudited) (Restated)	2023 (Unaudited) (Restated)	Amount	Percent
<b>CONTINUING OPERATIONS:</b>				
<b>REVENUE</b>	<b>698,823,261</b>	874,798,328	(175,975,067)	(20.1%)
<b>COST OF OPERATIONS</b>	<b>665,645,215</b>	625,048,837	40,596,378	6.5%
<b>GROSS MARGIN</b>	<b>33,178,046</b>	249,749,491	(216,571,445)	(86.7%)
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(39,879,908)</b>	(64,276,046)	(24,396,138)	38.0%
<b>OTHER INCOME (CHARGES) - Net</b>				
Equity in net earnings of associates	<b>110,570,824</b>	135,692,558	(25,121,734)	(18.5%)
Interest income	<b>39,261,424</b>	45,206,153	(5,944,729)	(13.2%)
Interest expense	<b>(71,114)</b>	(163,587)	92,473	(56.5%)
Gain (loss) from disposal of assets	<b>200,000,987</b>	-	200,000,987	0%
Foreign exchange gains (losses)	<b>(60,798,853)</b>	30,082,562	(90,881,415)	(302.1%)
Others - net	<b>(330,023)</b>	4,941,694	(5,271,717)	(106.7%)
	<b>288,633,245</b>	215,759,380	72,873,865	33.8%
<b>INCOME BEFORE INCOME TAX</b>	<b>281,931,383</b>	401,232,825	(119,301,442)	(29.7%)
<b>PROVISION FOR INCOME TAX</b>				
Current	<b>12,799,467</b>	38,359,759	(25,560,292)	(66.6%)
Deferred	<b>(273,586)</b>	73,724	(347,310)	(471.1%)
	<b>12,525,881</b>	38,433,483	(25,907,602)	(67.4%)
<b>INCOME FROM CONTINUING OPERATIONS</b>	<b>269,405,502</b>	362,799,342	(93,393,840)	(25.7%)
<b>DISCONTINUED OPERATIONS:</b>				
After tax income (loss) from Discontinued Operations	<b>(11,283,004)</b>	32,059,051	(43,342,055)	(135.2%)
<b>NET INCOME</b>	<b>258,122,498</b>	394,858,393	(136,735,895)	(34.6%)
<b>OTHER COMPREHENSIVE INCOME</b>	-	-	-	
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>258,122,498</b>	394,858,393	(136,735,895)	(34.6%)
<b>NET INCOME ATTRIBUTABLE TO:</b>				
Equity holders of the Parent	<b>247,597,642</b>	380,013,114	(132,415,472)	(34.8%)
Non-controlling interests	<b>10,524,856</b>	14,845,279	(4,320,423)	(29.1%)
	<b>258,122,498</b>	394,858,393	(136,735,895)	(34.6%)
<b>EARNINGS PER SHARE (Note 3):</b>				
Basic/diluted, for income for the period attributable to equity holders of the Parent	<b>0.17</b>	0.25	(0.09)	(34.8%)

*See accompanying Notes to Consolidated Financial Statements.*



**SPC POWER CORPORATION AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(Amounts in Philippine Pesos)**

	For the nine months ended September 30		Increase / (Decrease)	
	2024	2023	Amount	Percent
	(Unaudited) (Restated)	(Unaudited) (Restated)		
<b>REVENUE</b>	<b>2,363,065,267</b>	2,244,273,445	118,791,822	5.3%
<b>COST OF OPERATIONS</b>	<b>2,134,595,934</b>	1,533,883,255	600,712,679	39.2%
<b>GROSS MARGIN</b>	<b>228,469,333</b>	710,390,190	(481,920,857)	(67.8%)
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(142,663,794)</b>	(176,327,933)	(33,664,139)	19.1%
<b>OTHER INCOME (CHARGES) - Net</b>				
Equity in net earnings of associates	<b>608,025,133</b>	609,687,355	(1,662,222)	(0.3%)
Interest income	<b>128,856,908</b>	109,191,586	19,665,322	18.0%
Interest expense	<b>(417,929)</b>	(507,709)	(89,780)	17.7%
Gain (loss) from disposal of assets	<b>200,000,987</b>	-	(200,000,987)	0%
Foreign exchange gains (losses)	<b>11,118,895</b>	18,307,167	(7,188,272)	(39.3%)
Others - net	<b>6,398,830</b>	7,517,384	(1,118,554)	(14.9%)
	<b>953,982,824</b>	744,195,783	209,787,041	28.2%
<b>INCOME BEFORE INCOME TAX</b>	<b>1,039,788,363</b>	1,278,258,040	(238,469,677)	(18.7%)
<b>PROVISION FOR INCOME TAX</b>				
Current	<b>43,025,257</b>	107,972,414	(64,947,157)	(60.2%)
Deferred	<b>(233,444)</b>	(91,092)	(142,352)	156.3%
	<b>42,791,813</b>	107,881,322	(65,089,509)	(60.3%)
<b>INCOME FROM CONTINUING OPERATIONS</b>	<b>996,996,550</b>	1,170,376,718	(173,380,168)	(14.8%)
<b>DISCONTINUED OPERATIONS:</b>				
After tax income (loss) from Discontinued Operations	<b>15,765,399</b>	50,580,671	(34,815,272)	(68.8%)
<b>NET INCOME</b>	<b>1,012,761,949</b>	1,220,957,389	(208,195,440)	(17.1%)
<b>OTHER COMPREHENSIVE INCOME</b>	-	-	-	
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,012,761,949</b>	1,220,957,389	(208,195,440)	(17.1%)
<b>NET INCOME ATTRIBUTABLE TO:</b>				
Equity holders of the Parent	<b>970,061,231</b>	1,197,613,266	(227,552,035)	(19.0%)
Non-controlling interests	<b>42,700,718</b>	23,344,123	19,356,595	82.9%
	<b>1,012,761,949</b>	1,220,957,389	(208,195,440)	(17.1%)
<b>EARNINGS PER SHARE (Note 3):</b>				
Basic/diluted, for income for the period attributable to equity holders of the Parent	<b>0.65</b>	0.80	(0.15)	(19.0%)

*See accompanying Notes to Consolidated Financial Statements.*

**SPC POWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 & 2023**

	Equity Attributable to Equity Holders of the Parent							Net Unrealized Valuation Gains			
	Capital Stock	Additional Paid-In Capital	Treasury Stock at Cost	Remeasurement of Employee Benefits	Share of Associates in OCI	Retained Earnings		Non-controlling Interest	Total		
						Appropriated	Unappropriated				
										FVOCI	
Balances at January 1, 2024	P1,569,491,900	P86,810,752	P(131,008,174)	P1,208,496	P2,941,249	-	P9,598,002,269	P13,350,000	P11,140,796,492	P166,912,054	P11,307,708,546
Total comprehensive income	-	-	-	-	-	-	954,295,832	-	954,295,832	42,700,718	996,996,550
Cash dividends	-	-	-	-	-	-	(1,496,551,803)	-	(1,496,551,803)	(41,706,000)	(1,538,257,803)
Reversal of appropriations	-	-	-	-	-	-	-	-	-	-	-
Reserves of a disposal group held for sale	-	-	-	(2,229,994)	-	-	15,765,399	-	13,535,405	(144,170,295)	(130,634,890)
Appropriation (Note 12)	-	-	-	-	-	-	-	-	-	-	-
Balances at September 30, 2024	P1,569,491,900	P86,810,752	P(131,008,174)	P(1,021,498)	P2,941,249	-	P9,071,511,697	P13,350,000	P10,612,075,926	P23,736,477	P10,635,812,403
Balances at January 1, 2023	P1,569,491,900	P86,810,752	P(131,008,174)	P(3,858,148)	P6,800,073	P1,800,000,000	P6,927,417,031	P11,350,000	P10,267,003,434	P132,482,482	P10,399,485,916
Total comprehensive income	-	-	-	-	-	-	1,147,032,595	-	1,147,032,595	23,344,123	1,170,376,718
Cash dividends	-	-	-	-	-	-	(299,310,361)	-	(299,310,361)	-	(299,310,361)
Reversal of appropriations	-	-	-	-	-	(1,800,000,000)	1,800,000,000	-	-	-	-
Reserves of a disposal group held for sale	-	-	-	-	-	-	50,580,671	-	50,580,671	-	50,580,671
Appropriation (Note 12)	-	-	-	-	-	5,600,000,000	(5,600,000,000)	-	-	-	-
Balances at September 30, 2023	P1,569,491,900	P86,810,752	P(131,008,174)	P(3,858,148)	P6,800,073	P5,600,000,000	P4,025,719,936	P11,350,000	P11,165,306,339	P155,826,605	P11,321,132,944

See accompanying Notes to Consolidated Financial Statements.

**SPC POWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in Philippine Pesos)

	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>(Restated)</b>	<b>(Restated)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>INCOME BEFORE INCOME TAX</b>	<b>1,039,788,363</b>	<b>1,278,258,040</b>
<b>Income (loss) from discontinued operations</b>	12,077,663	36,300,207
<b>Adjustments for:</b>		
Equity in net earnings (losses) of associates	(608,025,133)	(609,687,355)
Depreciation and amortization	44,638,318	47,160,648
Interest expense	417,929	507,709
Net changes in pension liability	(16,306,377)	(18,329,314)
Interest income	(128,856,908)	(109,191,586)
Loss (gain) on disposal of assets	(135,034,717)	100,376,567
Unrealized foreign exchange losses (gains)	(14,205,327)	(17,673,277)
Others	(8,571)	(295,438)
<b>Operating income before working capital changes</b>	<b>194,485,240</b>	<b>707,426,201</b>
<b>Decrease (increase) in:</b>		
Trade and other receivables - net	259,629,698	184,635,715
Due from Related Parties	778,480	-
Materials and supplies - net of allowance	(1,183,712)	107,525,595
Prepayments and other current assets	44,647,020	64,912,138
<b>Increase (decrease) in:</b>		
Trade and other payables	(325,438,288)	(453,021,711)
Due to Related Parties	261,225	125,124
Customers' deposits	(193,914,394)	(191,579,049)
<b>Net cash generated from operations</b>	<b>(20,734,730)</b>	<b>420,024,013</b>
Income Tax Paid	(51,600,939)	(122,073,994)
Interest paid	(3,185,426)	(519,211)
Interest received	128,856,908	109,191,586
<b>Net cash provided by operating activities</b>	<b>53,335,813</b>	<b>406,622,394</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash dividends received	1,021,217,710	79,999,911
Additions to plant, property and equipment	(34,117,297)	(48,188,575)
Proceeds from disposal of PPE	307,153,350	-
Additional investment in associates	(199,613,240)	-
Decrease in other noncurrent assets	(513,496)	47,169,688
<b>Net cash provided by investing activities</b>	<b>1,094,127,027</b>	<b>78,981,024</b>

(Forward)

**SPC POWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in Philippine Pesos)

	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>(Restated)</b>	<b>(Restated)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash dividends paid	(1,596,975,618)	(189,865,010)
Payment of lease liabilities	(1,355,245)	(1,355,245)
<b>Net cash used in financing activities</b>	<b>(1,598,330,863)</b>	<b>(191,220,255)</b>
<b>NET EFFECT OF EXCHANGE RATE CHANGES</b>	<b>14,205,327</b>	<b>17,673,277</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(450,868,023)</b>	<b>294,383,163</b>
<b>CASH AND CASH EQUIVALENTS AT BEG. OF PERIOD</b>	<b>4,743,043,034</b>	<b>4,031,421,593</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>4,306,380,338</b>	<b>4,343,478,033</b>

*See accompanying Notes to Financial Statements.*



**SPC POWER CORPORATION AND SUBSIDIARIES****SELECTED NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS****1. General**

The consolidated financial statements comprise the financial statements of the Parent Company and the following wholly owned and majority owned subsidiaries:

	Nature of Business	% of Ownership		
		Direct	Indirect	Total
SPC Island Power Corporation	Power generation	100.00%	-	100.00%
Cebu Naga Power Corporation	Power generation	100.00%	-	100.00%
SPC Malaya Power Corporation	Power generation	40.00%	38.40%	78.40%
SPC Light Company, Inc.	Holding company	40.00%	24.00%	64.00%
SPC Electric Company, Inc.	Holding company	40.00%	-	40.00%

Due to the sale of the Group's total shares in Bohol Light Company, Inc. which took effect on September 12, 2024, the Company's financial statements were deconsolidated and presented under discontinued operations.

The consolidated interim financial statements of the Group were authorized for issue by the Parent Company's Board of Directors through its Executive Committee on November 13, 2024.

**2. Accounting Policies**

The Group's consolidated interim financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). Measurements are on historical cost basis, except for financial assets at FVOCI which have been measured at fair value, and are presented in Philippine Peso, the Group's functional and presentation currency.

The accounting policies adopted in the preparation of the interim financial statements are the same as those mentioned in the audited financial statements for the year 2023.

**3. Earnings Per Share**

The following presents information necessary to calculate earnings per share attributable to equity holders of the Parent Company:

	For the nine months ended September 30	
	2024	2023
Net income attributable to equity holders of the parent	<b>₱970,061,231</b>	₱1,197,613,266
Weighted average number of common shares issued and outstanding	<b>1,496,551,803</b>	1,496,551,803
Basic/Diluted earnings per share	<b>₱0.65</b>	₱0.80

Computation of weighted average number of common shares issued and outstanding follows:

Number of shares issued	1,569,491,900
Less weighted average number of treasury shares	72,940,097
	<hr/> 1,496,551,803 <hr/>

There are no dilutive potential common stocks issued as of September 30, 2024.

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#### **4. Seasonal Aspects**

The group does not have any seasonal aspect that has a material effect on its financial condition and results of operations.

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#### **5. Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income, or Cash Flows That Are Unusual Because of Their Nature, Size or Incidence.**

Aside from what is already disclosed in the management's discussion and analysis of financial condition and results of operations, there are no other assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

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#### **6. Nature and Amount of Changes in Estimates of Amounts Reported in Prior Interim Periods of the Current Financial Year or Changes in Estimates of Amounts Reported in Prior Financial Years, if Those Changes Have a Material Effect in the Current Interim Period.**

There are no changes in estimates of amounts in the third quarter of 2024.

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#### **7. Issuances, Repurchases & Repayments of Debts & Equity Securities.**

There are no issuances, repurchases and repayments of debt and equity securities during the nine months ended September 30, 2024.

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#### **8. Segment Information**

For management purposes, the Group is organized into business units based on their products and services provided as follows:

- Generation - generation and supply of power and ancillary services to National Power Corporation (NPC)/Power Sector Assets and Liabilities Management (PSALM), NGCP, distribution utilities, WESM and other customers.
- Distribution - distribution and sale of electricity to the end-users.
- Others - includes the operations of SPC Electric Company, Inc. and SPC Light Company, Inc. such as to manage, operate and invest in power generating plants and related facilities.

The operating segments are consistent with those reported to the BOD, the Group's Chief Operating Decision Maker (CODM).

The Group operates and generates revenue principally only in the Philippines (i.e., one geographical location). Thus, geographical segment information is not presented.



The CODM monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss in the consolidated financial statements.

No inter-segment revenues were earned within the Group in the nine months ended September 30, 2024 and 2023.

The following tables present revenue and income information and certain asset and liability information regarding the business segments as of September 30, 2024 and 2023:

September 30 2024

	Before Eliminations				Adjustments and Eliminations	After Eliminations/ Consolidated
	Generation	Distribution	Others	Total		
Revenue	P2,363,065,267	P817,595,858	-	P3,180,661,125	P(817,595,858)	P2,363,065,267
Income before income tax	1,435,386,948	22,507,758	98,126,411	1,556,021,117	(516,232,753)	1,039,788,363
Net income	1,392,595,134	15,765,399	98,126,411	1,506,486,944	(493,724,995)	1,012,761,949
Total assets	8,862,557,898	645,416,292	164,961,384	9,672,935,574	1,583,837,970	11,256,773,544
Property, plant and equipment	452,050,356	267,227,657	-	719,278,013	(265,959,752)	453,318,261
Total liabilities	617,617,792	424,385,656	2,123,114	1,044,126,562	(423,165,421)	620,961,141
Depreciation and amortization	44,638,318	18,810,091	-	63,448,409	(18,810,091)	44,638,318

September 30 2023

	Before Eliminations				Adjustments and Eliminations	After Eliminations/ Consolidated
	Generation	Distribution	Others	Total		
Revenue	P2,244,273,445	P1,318,446,556	-	P3,562,720,001	P(1,318,446,556)	P2,244,273,445
Income before income tax	768,922,913	67,648,540	(352,340)	836,219,113	442,038,927	1,278,258,040
Net income	661,041,591	101,161,343	(352,340)	761,850,594	459,106,796	1,220,957,389
Total assets	8,970,459,916	12,649,054,871	63,604,440	21,683,119,227	2,737,633,776	24,420,753,003
Property, plant and equipment	475,067,461	276,303,668	-	751,371,129	(275,035,763)	476,335,366
Total liabilities	709,937,880	616,986,936	2,022,093	1,328,946,908	(649,165)	1,328,297,743
Depreciation and amortization	47,160,648	21,140,527	-	68,301,176	(21,140,527)	47,160,648

<i>Reconciliation of Net Income</i>	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Segment net income	<b>₱1,465,449,118</b>	₱660,689,251
Equity in net earnings of associates	<b>608,025,133</b>	609,687,355
Dividend Income	<b>(1,076,477,702)</b>	(99,999,888)
Income from discontinued operations	<b>₱15,765,399</b>	₱50,580,671
Group net income	<b>₱1,012,761,949</b>	₱1,220,957,389

  

<i>Reconciliation of Total Assets</i>	<b>Sep 30, 2024</b>	<b>Dec 31, 2023</b>
Segment assets	<b>₱9,672,935,574</b>	₱9,941,635,003
Inter-segment receivables/adjustments	<b>(385,607,261)</b>	(16,682,422)
Property, plant and equipment	<b>(265,959,752)</b>	-
Investments in associates and subsidiaries	<b>2,235,404,983</b>	2,573,683,616
Goodwill	-	32,522,016
Group assets	<b>₱11,256,773,544</b>	₱12,531,158,213

  

<i>Reconciliation of Total Liabilities</i>	<b>Sep 30, 2024</b>	<b>Dec 31, 2023</b>
Segment liabilities	<b>₱1,044,126,562</b>	₱1,232,761,131
Inter-segment payables/adjustments	<b>(423,165,421)</b>	(9,311,464)
Group liabilities	<b>₱620,961,141</b>	₱1,223,449,667

Adjustments and eliminations are part of detailed reconciliations presented below:

#### **9. Effect of Changes in the Composition of the Issuer During the Interim Period, Including Business Combinations, Acquisition or Disposal of Subsidiaries & Long-term Investments, Restructurings, and Discontinuing Operations.**

There are no changes in the composition of the registrant during the interim period.

#### **10. Changes in Contingent Liabilities or Contingent Assets Since the Last Annual Balance Sheet Date.**

There are no changes in contingent liabilities or contingent assets since the last annual balance sheet date.

#### **11. Financial Risk Management and Policies**

The Group's principal financial instruments comprise of cash and cash equivalents and trade and other payables. The Group has various other financial assets and liabilities such as trade and other receivables, trade and other payables, PSALM deferred adjustments included under "Other noncurrent assets", due from/due to related parties, dividend payable, and customers' deposits which arise directly from its operations.

The main risks arising from the Group's financial instruments are liquidity risk and credit risk.

The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk-taking activities are governed by appropriate policies and procedures

and that financial risks are identified, measured and managed in accordance with the Group's policies and risk appetite.

The BOD reviews and approves policies for managing each of these risks and they are summarized below.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group's policy is to manage its interest cost using the variable-rate debts.

As of September 30, 2024 and December 31, 2023, the Group does not have a financial liability that is exposed to interest rate risk.

### Liquidity Risk

Liquidity risk is the potential of not meeting obligations as they come due because of an inability to liquidate assets or obtain adequate funding. The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group maintains sufficient cash and cash equivalents to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet maturing obligations and pay dividend declarations.

The tables below summarize the maturity profile of the Group's financial assets used to manage liquidity risk and financial liabilities at September 30, 2024 and December 31, 2023 based on contractual undiscounted payments:

September 30 2024						
	Total	Current	1 to 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days
Financial Assets						
At amortized cost:						
Cash and cash equivalents	P4,306,380,338	P1,636,782,011	P2,669,598,327	-	-	-
Trade and other receivables						
Receivable from customers	339,962,544	81,067,345	121,292,415	21,900,298	14,820,970	100,881,517
Dividends receivable	-	-	-	-	-	-
Current portion of PSALM deferred adjustments	-	-	-	-	-	-
Due from related parties	2,371,214	25,844	53,074	20,144	4,500	2,267,652
Others	46,365,721	11,072,686	6,853,448	1,520,613	577,198	26,341,776
	388,699,479	92,165,875	128,198,937	23,441,055	15,402,668	129,490,945
PSALM deferred adjustments (included in "Other noncurrent assets")	-	-	-	-	-	-
	4,695,079,817	1,728,947,886	2,797,797,263	23,441,055	15,402,668	129,490,945
At FVOCI:						
Investment in proprietary club shares	15,000,000	-	-	-	-	15,000,000
	4,710,079,817	1,728,947,886	2,797,797,263	23,441,055	15,402,668	144,490,945



<b>Financial Liabilities</b>						
Trade and other payables						
Trade	195,912,534	192,853,502	1,693,730	391,806	490	973,005
Nontrade	92,762,258	5,765,685	96,347	95,564	94,431	86,710,231
Accrued expenses	3,097,344	1,450,621	641,887	254,168	-	750,668
Due to related parties	791,375	90,306	-	-	-	701,069
	292,563,511	200,160,114	2,431,963	741,538	94,922	89,134,973
Customers' deposits	-	-	-	-	-	-
Lease liabilities	8,703,602	-	-	-	-	8,703,602
Dividends payable	60,860,001	60,860,001	-	-	-	-
Other noncurrent liability	-	-	-	-	-	-
	362,127,114	261,020,115	2,431,963	741,538	94,922	97,838,575
<b>Net Financial Assets (Liabilities)</b>	<b>P4,347,952,703</b>	<b>P1,467,927,771</b>	<b>P2,795,365,300</b>	<b>P22,699,517</b>	<b>P15,307,746</b>	<b>P46,652,370</b>

<b>December 31 2023</b>						
	<b>Total</b>	<b>Current</b>	<b>1 to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 90 Days</b>	<b>Over 90 Days</b>
<b>Financial Assets</b>						
At amortized cost:						
Cash and cash equivalents	P4,743,043,034	P798,410,969	P3,944,632,065	-	-	-
Trade and other receivables						
Receivable from customers	457,828,766	296,349,329	31,681,359	18,264,876	13,918,375	97,614,827
Dividends receivable	39,999,956	-	-	-	-	39,999,956
Current portion of PSALM deferred adjustments	31,892,013	31,892,013	-	-	-	-
Due from related parties	3,149,695	557,384	20,474	143,405	196,013	2,232,419
Others	116,237,227	39,395,814	17,110,654	11,097,177	2,645,408	45,988,174
	649,107,657	368,194,540	48,812,487	29,505,458	16,759,796	185,835,376
PSALM deferred adjustments (included in "Other noncurrent assets")	1,839,924	-	-	-	-	1,839,924
	5,393,990,615	1,166,605,509	3,993,444,552	29,505,458	16,759,796	187,675,300
At FVOCI:						
Investment in proprietary club shares	15,000,000	-	-	-	-	15,000,000
	5,408,990,615	1,166,605,509	3,993,444,552	29,505,458	16,759,796	202,675,300
<b>Financial Liabilities</b>						
Trade and other payables						
Trade	394,559,067	368,776,398	3,800,169	280,257	602,161	21,100,082
Nontrade	244,060,030	92,297,513	3,202,704	3,394,647	3,204,128	141,961,038
Accrued expenses	30,994,396	12,089,740	634,320	615,359	(490,310)	18,145,287
Due to related parties	530,150	20,360	-	-	7,148	502,642
	670,143,643	473,184,011	7,637,193	4,290,263	3,323,127	181,709,049
Customers' deposits	193,914,394	-	-	-	-	193,914,394
Lease liabilities	10,725,319	-	-	-	-	10,725,319
Other noncurrent liability	1,839,924	-	-	-	-	1,839,924
	876,623,280	473,184,011	7,637,193	4,290,263	3,323,127	388,188,686
<b>Net Financial Assets (Liabilities)</b>	<b>P4,532,367,335</b>	<b>P693,421,498</b>	<b>P3,985,807,359</b>	<b>P25,215,195</b>	<b>P13,436,669</b>	<b>P(185,513,386)</b>

## Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit procedures. In addition, receivable balances are monitored on an ongoing basis with the result that exposure to bad debts is not significant.

With respect to credit risk arising from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables, due from related parties and PSALM deferred adjustments included in "Other noncurrent assets", the Group's exposure to credit risk arises from default of the counterparty.

The Group's credit risk from cash and cash equivalents is mitigated by Philippine Deposit Insurance Corporation's (PDIC) insurance coverage on the cash in bank. While the Group does not hold collateral as security, its credit risk from trade and other receivables is mitigated by the customers' deposits which are collected to guarantee any uncollected bills from the customers upon termination of the service contract.

The Group's maximum exposure equals the carrying amount of the aforementioned instruments, excluding cash on hand, and is offset by the PDIC insurance coverage and customers' deposits. The offset relates to balances where there is a legally enforceable right of offset in the event of counterparty default and where, as a result, there is a net exposure for credit risk management purposes. However, as there is no intention to settle these balances on a net basis under normal circumstances, they do not qualify for net presentation for accounting purposes.

September 30 2024			
	Maximum exposure	Offset	Exposure to credit risk
At amortized cost:			
Cash and cash equivalents (excluding cash on hand)	₱4,305,917,398	₱(8,019,282)	₱4,297,898,116
Trade and other receivables	388,699,479		388,699,479
At FVOCI:			
Investment in proprietary club shares	15,000,000	-	15,000,000
	₱4,709,616,877	₱(8,019,282)	₱4,701,597,595

December 31 2023			
	Maximum exposure	Offset	Exposure to credit risk
At amortized cost:			
Cash and cash equivalents (excluding cash on hand)	₱4,742,464,501	₱(10,138,295)	₱4,732,326,206
Trade and other receivables	649,107,657		649,107,657
PSALM deferred adjustments (included in "Other noncurrent assets")	1,839,924	-	1,839,924
At FVOCI:			
Investment in proprietary club shares	15,000,000	-	15,000,000

As of September 30, 2024 and December 31, 2023, the Group's significant concentration of credit risk pertains to its trade and other receivables amounting to ₱1,027.6 million and ₱650.9 million, respectively,

and impaired financial assets, determined based on probability of collection, are adequately covered with allowance.

*Applicable for the third quarter and year ended September 30, 2024 and December 31, 2023.*

The following are the details of the Group's assessment of credit quality and the related ECLs as at September 30, 2024 and December 31, 2023:

#### *General Approach*

- *Cash and cash equivalents* - As of September 30, 2024 and December 31, 2023, the ECL relating to the cash and cash equivalents of the Group is minimal as these are deposited in reputable banks which have good bank standing, and is considered to have low credit risk.
- *Due from NPC/PSALM, related parties, and other receivables* - As of September 30, 2024 and December 31, 2023, there were no individually impaired accounts. No ECL is recognized for these receivables since there was no history of default payments. This assessment is undertaken each financial year through examining the financial position of the parties and the markets in which the parties operate.

#### *Simplified Approach*

- *Trade and other receivables* - The Group applied the simplified approach using a 'provision matrix'. As of September 30, 2024 and December 31, 2023, the allowance for impairment losses as a result from performing collective and specific impairment test amounted to P44.9 million. Management evaluated that the Parent Company's trade receivables are of high grade and of good credit quality.

September 30 2024					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
Gross carrying amount	-	-	P44,894,258	P388,699,479	P433,593,737
Loss allowance	-	-	(44,894,258)	-	(44,894,258)
Carrying amount	-	-	-	P388,699,479	P388,699,479

  

December 31 2023					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
Gross carrying amount	-	-	P44,894,258	P649,107,657	P694,001,915
Loss allowance	-	-	(44,894,258)	-	(44,894,258)
Carrying amount	-	-	-	P649,107,657	P649,107,657

The Group grades its financial assets as follows:

- *Cash and Cash Equivalents*: These are assessed as high grade since these are deposited in reputable banks which have good bank standing, thus credit risk is minimal.
- *Receivable/Due from NPC/PSALM, NGCP and Distribution Utilities*: These are assessed as high grade since these receivables arose from the contract provisions of the ROMM Agreement, Operation and Maintenance Service Contracts (OMSC), Ancillary Services Procurement Agreements (ASPA), Power Supply Contracts (PSCs), and/or collectible from government institution.



- *Receivable from Customers of BLCI*: Receivables from commercial customers are classified as high grade; receivables from residential customers as standard; and receivables from the government, hospitals and radio stations as substandard. Classification is based on the collection history with these customers.
- *Due from Related Parties*: These are assessed as standard, although recoverability of these receivables is certain, as these are given secondary priority as to settlement by the related parties compared to third party obligations.
- *Other Receivables*: Grading of financial assets is determined individually based on the Group's collection experience with the counterparty.

#### Fair Value of Financial Assets and Financial Liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

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, Trade and Other Payables and Due From/To Related Parties*. The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and due from/to related parties approximate their value due to the relatively short-term maturity of these financial instruments.
- *Investment in Proprietary Club Shares*. Market values have been used to determine the fair value of listed proprietary club shares.
- *Noncurrent Receivable (included in "Other Noncurrent Assets") and Other Noncurrent Liability*. The fair values of the noncurrent receivable and noncurrent liability are based on the net present value of cash flows using the prevailing market rate of interest. As of September 30, 2024 and December 31, 2023, the carrying values of the noncurrent receivable and noncurrent liability approximate their fair values.
- *Customers' Deposits*. The fair value of customers' deposits approximates the carrying value as (1) bill deposits earn interest at the prevailing market interest rate in accordance with regulatory guidelines and (2) the timing and related amounts of future cash flows relating to material deposits cannot be reasonably and reliably estimated for purposes of establishing their fair values using an alternative valuation technique.

As of September 30, 2024 and December 31, 2023, the Group considers its investment in proprietary club shares measured and carried at fair values of ₱15.0 million under Level 1 classification, respectively. The Group also considers its noncurrent receivable amounting to nil as of September 30, 2024 and ₱1.8 million December 31, 2023, respectively, noncurrent liability amounting to nil as of September 30, 2024 and ₱1.8 million December 31, 2023, and customers' deposits amounting to ₱199.0 million as of September 30, 2024 and ₱193.9 million December 31, 2023, respectively, under the Level 3 classification.

During the reporting period ended September 30, 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

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#### **12. Existence of Material Contingencies and any Other Events or Transactions that are Material to an Understanding of the Current Interim Period.**

Except as already discussed in the Management's Discussion and Analysis of Financial Conditions and Results of Operations as well as in the schedules and disclosures set forth in this Selected Notes to Interim Consolidated Financial Statements, there are no other material contingencies and any other events or transactions that are material to an understanding of the current interim period.

## Certification

I, Mishelle Anne Rubio-Aguinaldo, Assistant Corporate Secretary of SPC Power Corporation with SEC registration number AS094-002365 with principal office at the 7/F BDO Towers Paseo, 8741 Paseo de Roxas, Makati City, on oath state:

- 1) That on behalf of SPC Power Corporation, I have caused SEC Form 17-Q (Quarterly Report as of September 30, 2024) report to be prepared;
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/ or based on true records;
- 3) That we submit the attached Quarterly Report as of September 30, 2024 in compliance with SEC reportorial requirements;
- 4) That SPC Power Corporation will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/ or documents through electronic mail; and
- 5) That I am fully aware that documents filed online which require pre-evaluation and/ or processing fee shall be considered complete and officially received only upon payment of the filing fee.

The Certification was issued by the undersigned Assistant Corporate Secretary in lieu of the Corporate Secretary since the latter, by reason of his health condition (i.e. diabetic, cancer survivor, and had also lost one of his kidneys) and advanced age, has to observe health and safety protocols. Moreover, since the onset pandemic in 2020, it has been a practice that the Assistant Corporate Secretary issues certifications and other reportorial requirements for reasons of practicality, convenience, and accessibility. Rest assured, the Assistant Corporate Secretary is supervised by the Corporate Secretary and has personal knowledge on all corporate matters that she certifies.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_.

Mishelle Anne R. Rubio-Aguinaldo  
Affiant

SUBSCRIBED AND SWORN TO before me this 13 NOV 2024, at Makati City, Philippines by the affiant who exhibited to me her Philippine Passport No. P7454258B, issued on August 24, 2021 at DFA Manila, valid until August 23, 2031.

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Book No. 16  
Series of 2024.

ATTY. VERGILIO J. LAGUNILLA  
NOTARY PUBLIC CITY OF MAKATI  
UNTIL 31. DEC. 2024-APPOINTMENT NO. M-458  
4897 BINAKOL STREET COR. NOVALICHES,  
BRGY. OLYMPIA, MAKATI CITY  
PTR NO. MKT 10075893/01-03-2024/MAKATI CITY  
IBP NO. 397703/01-04-2024/PASIG CITY  
MCLE COMPLIANCE NO. VII-NO-0018706  
ROLL NO. 31373