COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	7	1	8	9	6	9	2

COMPANY NAME

NEXGEN ENERGY CORP. (FORMERLY JUST SOLAR CORP.) AND SUBSIDIARY (A Wholly-owned Subsidiary of Pure Energy holdings Corporation)

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

3rd Floor JTKC Centre, 2155 Don Chino Roces Ave. Makati City, Philippines

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
AACFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
contact@pureenergy.com.ph	(02) 8813-8892	0917-830-1613

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
6	June 30	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Rolando P. Domingo	rolando.domingo@pureenergy.com.ph	(02) 8813-8892	0917-830-1613

CONTACT PERSON'S ADDRESS

3rd Floor JTKC Center, 2155 Chino Roces Ave., Makati City

NOTE 1: *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

NOTE 2: *All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.*

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Registration No. PP201007009

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INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
NexGen Energy Corp. (formerly Just Solar Corp.) and Subsidiaries
3rd Floor JTKC Centre
2155 Don Chino Roces Ave.
Makati City, Philippines

Opinion

We have audited the consolidated financial statements of NexGen Energy Corp. (formerly Just Solar Corp.) (the Parent Company) and Subsidiary (the Group) (a wholly-owned subsidiary of Pure Energy Holdings Corporation), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Parent Company prepared this set of consolidated financial statements in compliance with the Revised Securities Regulation Code (SRC) Rule 68 in relation to the Parent Company's planned application for listing its common shares in the Philippine Stock Exchange, as discussed in Note 2 to the consolidated financial statements.

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RSM

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audits. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REYES TACANDONG & CO.

ARTHUR VINSON U. ONG
Partner
CPA Certificate No. 120745
Tax Identification No. 253-222-555-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-015-2023
Valid until June 4, 2026
PTR No. 10072419
Issued January 2, 2024, Makati City

April 8, 2024
Makati City, Metro Manila

NEXGEN ENERGY CORP. (FORMERLY JUST SOLAR CORP.) **AND SUBSIDIARY**

(A Wholly-owned Subsidiary of Pure Energy Holdings Corporation)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2021**	2020
ASSETS			
Current Assets			
Cash and cash equivalents	5	**₱22,151,473**	₱3,466,132
Trade and other receivables	6	**17,092,783**	11,615,168
Due from related parties	14	**54,551,308**	196,460,258
Other current assets	7	**20,940,742**	19,823,825
Total Current Assets		**114,736,306**	231,365,383
Noncurrent Assets			
Feed-in tariff (FIT) rate differential receivables - net of current portion	6	**18,320,185**	11,801,843
Property, plant and equipment	8	**862,730,731**	824,861,852
Right-of-use (ROU) assets	16	**42,769,242**	45,791,064
Goodwill	4	**51,262,928**	51,262,928
Advances for acquisition of investment	4	**14,000,000**	14,000,000
Other noncurrent assets	7	**49,171,001**	3,603,602
Total Noncurrent Assets		**1,038,254,087**	951,321,289
		₱1,152,990,393	₱1,182,686,672
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	9	**₱68,413,563**	₱63,540,848
Current portion of loan payable	10	**25,974,091**	25,974,091
Current portion of lease liabilities	16	**1,974,800**	1,959,485
Due to related parties	14	**803,204,736**	771,529,364
Total Current Liabilities		**899,567,190**	863,003,788
Noncurrent Liabilities			
Loan payable - net of current portion	10	**148,239,560**	180,460,448
Lease liabilities - net of current portion	16	**43,585,648**	45,489,612
Deferred tax liabilities	15	**29,124,290**	37,638,841
Total Noncurrent Liabilities		**220,949,498**	263,588,901
Total Liabilities		**1,120,516,688**	1,126,592,689
Equity			
Capital stock		**12,500,000**	12,500,000
Deficit		**(66,656,509)**	(48,257,856)
		(54,156,509)	(35,757,856)
Non-controlling interest		**86,630,214**	91,851,839
Total Equity		**32,473,705**	56,093,983
		₱1,152,990,393	₱1,182,686,672

See accompanying Notes to Consolidated Financial Statements.

NEXGEN ENERGY CORP (FORMERLY JUST SOLAR CORP.) **AND SUBSIDIARY**
(A Wholly-owned Subsidiary of Pure Energy Holdings Corporation)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
	Note	**2021**	2020
SALE OF ELECTRICITY	16	**₱125,715,556**	₱105,470,885
COST OF SALE OF ELECTRICITY	11	**104,312,014**	99,857,121
GROSS INCOME		**21,403,542**	5,613,764
OPERATING EXPENSES	12	**(4,009,406)**	(5,045,984)
INTEREST EXPENSE	10	**(13,225,634)**	(15,211,531)
OTHER INCOME (CHARGES) – Net	13	**(36,303,331)**	28,516,568
INCOME (LOSS) BEFORE INCOME TAX		**(32,134,829)**	13,872,817
DEFERRED INCOME TAX EXPENSE (BENEFIT)	15	**(8,514,551)**	2,689,694
NET INCOME (LOSS)		**(23,620,278)**	11,183,123
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE INCOME (LOSS)		**(₱23,620,278)**	₱11,183,123
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:			
Equity holders of the Parent Company		**(₱18,398,653)**	₱8,662,405
Non-controlling interest		**(5,221,625)**	2,520,718
		(₱23,620,278)	₱11,183,123
BASIC/DILUTED EARNINGS (LOSS) PER SHARE	19	**(₱1.47)**	₱0.69

See accompanying Notes to Consolidated Financial Statements.

NEXGEN ENERGY CORP. (FORMERLY JUST SOLAR CORP.) **AND SUBSIDIARY**
(A Wholly-owned subsidiary of Pure Energy Holdings Corporation)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Years Ended December 31	
	2021	2020
CAPITAL STOCK - ₱1 par value		
Authorized - 50,000,000		
Issued and outstanding - 12,500,000 shares	**₱12,500,000**	₱12,500,000
DEFICIT		
Balance at beginning of year	**(48,257,856)**	(56,920,261)
Net income (loss) attributable to equity holders of the Parent Company	**(18,398,653)**	8,662,405
Balance at end of year	**(66,656,509)**	(48,257,856)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	**(54,156,509)**	(35,757,856)
NON-CONTROLLING INTEREST		
Balance at beginning of year	**91,851,839**	89,331,121
Net income (loss) attributable to non-controlling interest	**(5,221,625)**	2,520,718
Balance at end of year	**86,630,214**	91,851,839
	₱32,473,705	₱56,093,983

See accompanying Notes to Consolidated Financial Statements.

NEXGEN ENERGY CORP. (FORMERLY JUST SOLAR CORP.) **AND SUBSIDIARY**

(A Wholly-owned Subsidiary of Pure Energy Holdings Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	**2021**	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		**(₱32,134,829)**	₱13,872,817
Adjustments for:			
Depreciation and amortization	8	**66,740,395**	55,586,165
Unrealized foreign exchange loss (gain)	13	**31,675,372**	(27,801,099)
Interest expense	10	**13,225,634**	15,211,531
Loss in change in fair value in contingent consideration	4	**5,111,720**	–
Provision for impairment of trade receivables	6	**895,536**	363,847
Interest income	5	**(483,761)**	(468,792)
Operating income before working capital changes		**85,030,067**	56,764,469
Increase in:			
Trade and other receivables		**(12,467,576)**	(7,571,826)
Other current assets		**(1,116,917)**	(2,644,344)
Increase in trade and other payables		**8,410,884**	15,256,222
Net cash generated from operations		**79,856,458**	61,804,521
Interest received	5	**59,844**	119,867
Net cash provided by operating activities		**79,916,302**	61,924,388
CASH FLOWS FROM INVESTING ACTIVITIES			
Collection of advances to related parties		**141,908,950**	–
Additions to property, plant and equipment	8	**(101,587,452)**	(105,000)
Additions to other noncurrent assets		**(45,567,399)**	(1,735,527)
Payment of contingent consideration		**(5,111,720)**	–
Advances made to related parties		**–**	(31,989,425)
Net cash used in investing activities		**(10,357,621)**	(33,829,952)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Loan payable	10	**(32,467,614)**	(19,480,568)
Interest	10	**(13,646,922)**	(8,927,512)
Lease liabilities	16	**(4,758,804)**	(4,761,803)
Cash used in financing activities		**(50,873,340)**	(33,169,883)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**18,685,341**	(5,075,447)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**3,466,132**	8,541,579
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	**₱22,151,473**	₱3,466,132

See accompanying Notes to Consolidated Financial Statements.

1. General Information

NexGen Energy Corp. (the Parent Company)
The Parent Company was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 7, 2017. The Parent Company is engaged in the development and generation of renewable energy resources, such as but not limited to biomass, biogas, hydropower, wind, and solar energy.

The Parent Company is a wholly owned subsidiary of Pure Energy Holdings Corp. (PEHC). PEHC is an investment holding company which engages primarily in renewable energy generation and water system management and distribution. PEHC is a 76%-owned subsidiary of DYT Equities Corp. (the Ultimate Parent Company). All the foregoing entities are incorporated in the Philippines.

On December 13, 2023, the SEC approved the change in the corporate name of the Parent Company from Just Solar Corp. to NexGen Energy Corp.

On February 5, 2024, the Board of Directors (BOD) and stockholders approved the Parent Company's planned application for listing of a portion of its common shares in the Philippine Stock Exchange (PSE).

Subsidiary
The consolidated financial statements include the financial statements of the Parent Company and Solar Powered Agri-rural Communities Corp. (the Subsidiary) (collectively referred to as "the Group").

As at December 2021 and 2020, the Parent Company has a 77.78% direct ownership interest over the subsidiary. SPARC is incorporated in the Philippines and engaged primarily to carry out the business of generating power derived from solar energy and other viable sources of renewable power for lighting and power purposes. SPARC has three (3) solar power plants which are located in Bataan, Bulacan and Zambales.

Registered Address
The Parent Company and its Subsidiary's principal office address is located at 3rd Floor JTKC Center, 2155 Don Chino Roces Ave., Makati City, Philippines.

Approval of Consolidated Financial Statements
The consolidated financial statements of the Group as at and for the years ended December 31, 2022 and 2021 were approved and authorized for issue by the BOD on April 8, 2024.

2. **Summary of Significant Accounting Policies**

The significant accounting policies used in the preparation of the consolidated financial statements have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

The Group's consolidated financial statements were prepared in compliance with the Revised Securities Regulation Code (SRC) 68, in relation to the Group's planned application for listing its common shares in the Philippine Stock Exchange (PSE).

Measurement Bases

The consolidated financial statements are presented in Philippine Peso, the Group's functional currency. All values are stated in absolute amounts, unless otherwise indicated.

The consolidated financial statements of the Group have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or consideration paid in exchange for the incurrence of a liability.

Further information about the assumptions made in measuring fair values is included in Note 18 to the consolidated financial statements.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS, which are not yet effective as at December 31, 2021 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PFRS 3, *Reference to Conceptual Framework* – The amendments replace the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendment included an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* or IFRIC 21, *Levies,* instead of the Conceptual Framework. The requirement would ensure that the liabilities recognized in a business combination would remain the same as those recognized applying the current requirements in PFRS 3. The amendment also added an explicit statement that contingent assets acquired in a business combination should not be recognized by an acquirer. The amendments should be applied prospectively.

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. The amendments 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 an entity first applies the amendment.

- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling a contract comprises both the incremental costs of fulfilling that contract and an allocation of costs directly related to contract activities. The amendments apply to contracts existing at the date when the amendments are fist applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity. Accordingly, the comparatives are not restated. Earlier application is permitted.

- Annual Improvements to PFRS 2018 to 2020 Cycle:

    - Amendments to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is 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 the lender on the other's behalf.

      The amendments apply 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 amendments. Earlier application is permitted.

    - Amendments to PFRS 16, *Leases - Lease Incentives* – The amendment removes from the Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

Effective for annual periods beginning on or after January 1, 2023 -

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from

the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.

- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments should be applied on a modified retrospective basis. Earlier application is permitted.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements,* and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its subsidiary as at December 31, 2021 and 2020.

Subsidiary. A subsidiary is an entity controlled by the Parent Company. The Parent Company has control when it is exposed, or has a right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements; or
- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiary is consolidated from the date on which control is transferred to the Parent Company and continue to be consolidated until the date such control ceases. They are de-consolidated from the date that control ceases.

The financial statements of the subsidiary are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Changes in the controlling equity ownership that do not result in a loss of control are accounted for as equity transactions.

Non-controlling interests represent the portion of net results and net assets not held by the Parent Company. They are presented in the consolidated statements of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statements of comprehensive income.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Business Combinations. Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are recognized as expense.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9 is measured at fair value with changes in fair value recognized either in profit or loss or other comprehensive income. If the contingent consideration is not within the scope of PFRS 9, it is measured in accordance with the appropriate PFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill. Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Classification of Assets and Liabilities between Current and Noncurrent

The Group presents current and noncurrent assets, and current and noncurrent liabilities, as separate disclosure in the consolidated notes to financial statements.

Current Assets. The Group classifies an asset as current when:

a. it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
b. it holds the asset primarily for the purpose of trading;
c. it expects to realize the asset within twelve months after the reporting period, or
d. the asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Otherwise, the Group will classify all other assets as noncurrent.

Current Liabilities. The Group classifies a liability as current when:

a. it expects to settle the liability in its normal operating cycle;
b. it holds the liability primarily for the purpose of trading;
c. the liability is due to be settled within twelve months after the reporting period, or
d. it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Otherwise, the Group will classify all other liabilities as noncurrent.

Financial Assets and Liabilities

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using trade date accounting.

Initial Recognition. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transactions price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification of Financial Instruments. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and, (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or other financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model.

As at December 31, 2021 and 2020, the Group has no financial assets and liabilities at FVPL and financial assets at FVOCI.

Financial Assets at Amortized Cost. A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate.

Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

Included in this category are cash and cash equivalents (excluding cash on hand), trade receivables, FIT rate differential receivables, due from related parties, and restricted cash (presented under "Other current assets" account).

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired or through the amortization process.

This category includes trade and other payables (excluding statutory payables), lease liabilities, loan payable and due to related parties.

Impairment of Financial Assets at Amortized Cost
The Group records an allowance for expected credit loss (ECL) on financial assets at amortized cost based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

The Group measures loss allowances at an amount equivalent to the 12-month ECL for financial assets on which credit risk has not increased significantly since initial recognition or that are determined to have low credit risk at reporting date. Otherwise, impairment loss will be based on lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at reporting date with the risk of a default occurring on the financial instrument on the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort. In addition, the Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost at reversal date.

A financial asset is written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;

- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Group has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Assets and Liabilities
Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;

- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or

- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Advances for Acquisition of Investment
Advances for acquisition of investment represent advance payments for acquisition of common and preferred shares to be applied against the agreed total purchase price. This is carried in the consolidated statements of financial position at the amount of cash paid and are recognized to the corresponding asset account after the completion and satisfaction of the terms and conditions of the purchase agreement.

Other Assets
Other assets include value-added tax (VAT), prepayments, restricted cash (a financial asset), advances to suppliers and contractors, and security deposits.

VAT. Revenues, expenses and assets are recognized net of the amount of VAT except where VAT incurred on a purchase of assets or services is not recoverable from the tax authority. The net amount of VAT recoverable from the tax authority is included as part of "Other current assets" account in the statements of financial position.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and charged to profit or loss when incurred. Prepayments are expected to be incurred no more than 12 months after the reporting date and thus are classified as current assets.

Deferred Input VAT. Deferred input VAT represents the VAT amount on unpaid services that is not declared to the tax authority until the corresponding amount of payable is paid.

Advances to Suppliers and Contractors. Advances to suppliers and contractors are amounts paid in advance for the purchase of materials and supplies. These are carried at the amount of cash paid in the statement of financial position and are recognized to the corresponding asset account when the materials and supplies for which the advances were made are received. Advances to contractors and suppliers are classified as current or noncurrent based on the nature for which the advances were paid.

Security Deposits. Security deposits represent payments made in relation to the lease agreements entered into by the Group. These are carried at cost less any impairment in value and will generally be applied as payment or final payment at the end of the agreement. Security deposits are expected to be incurred more than 12 months after the reporting date and thus classified as noncurrent assets.

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

The initial cost of property, plant and equipment consists of its purchase price, including import duties, and other costs directly attributable to bring the asset to its working condition and location for its intended use. Cost also includes the cost of replacing parts when the asset recognition criteria are met and the present value of the estimated cost of dismantling and removing the asset and restoring the site where the asset is located.

Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to current operations. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment.

The cost of replacing a component of an item of property, plant and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

Depreciation begins when it becomes available for use, i.e. when it is as at the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the item is classified as held for sale or included in a disposal group that is classified as held for sale and the date the item is derecognized.

Depreciation is calculated on the straight-line basis over the estimated useful lives of the property, plant and equipment follows:

Asset Type	Number of Years
Solar equipment	20
Solar plant facilities and site equipment	3 to 20
Transportation equipment	5
Furniture, fixtures, and office equipment	3 to 5

The estimated useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized to profit or loss.

Fully depreciated property, plant and equipment are retained in the account until they are no longer in use.

Impairment of Nonfinancial Assets

The carrying amounts of the Group's nonfinancial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash generating unit (CGU) is the smallest identifiable asset group that generates cash flows that are largely independent from other assets of the Group. Impairment losses are recognized in profit or loss in the period incurred.

The recoverable amount of a nonfinancial asset is the greater of its value in use or its fair value less costs to sell. Value in use is the present value of future cash flows expected to be derived from an asset while the fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less cost of disposal.

In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized.

Capital Stock

Capital stock is measured at par value for all shares issued and outstanding. Incremental costs incurred directly attributable to the issuance of new shares are recognized in equity as deduction from proceeds, net of tax. Otherwise, these are recognized as expense in profit or loss.

Deficit
Deficit represents the cumulative balance of net income and losses.

Basic/Diluted Earnings (Loss) Per Share
The Group presents basic and diluted earnings (loss) per share data for its common shares.

Basic earnings (loss) per share is calculated by dividing the net income (loss) attributable to common shareholders of the Parent Company by the weighted average number of common shares issued and outstanding during the year.

Diluted earnings per share amounts are computed in the same manner, adjusted for the dilutive effect of any potential common shares. There were no dilutive common shares as at December 31, 2021 and 2020.

Revenue Recognition
Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group perform its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources.

Variable Consideration. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for the performance obligation. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Significant Financing Component. The Group receives payments for feed-in-tariff (FIT) differential five years after the actual delivery of electricity. The Group assessed that there is a significant financing component for these transactions considering the length of time between the customer's payment and the fulfilment of the performance obligation. As such, the transaction price is discounted using a rate that would be applicable in a separate financing transaction between the Group and the customer at contract inception.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of Electricity. Revenue from power generation is recognized based on the actual delivery of power, net of any quantity adjustments.

Interest Income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset, net of final tax.

Other Income. Income from other sources is recognized when earned during the period.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Cost of Sale of Electricity. Cost of sale of electricity are recognized as expense as incurred.

Operating Expenses. Operating expenses constitute costs of administering the business. These are expensed as incurred.

Interest Expense. Interest expense is recognized in profit or loss using the effective interest method.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the Group has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and

- The right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

Group as Lessee **-** The Group recognizes right-of-use (ROU) asset and lease liability for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Asset. At commencement date, the Group measures ROU asset at cost. The cost comprises:

i. the amount of the initial measurement of lease liability;

ii. any lease payments made at or before the commencement date less any lease incentives received;

iii. any initial direct costs; and

iv. an estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

The ROU asset is recognized at the present value of the liability at the commencement date of the lease, adding any directly attributable costs.

After the commencement date, the ROU asset is carried at cost less any accumulated amortization and accumulated impairment losses and adjusted for any remeasurement of the related lease liabilities. The ROU asset is amortized over the shorter of the lease terms or the useful lives of the underlying assets which is 20 years. The ROU asset is also subject to impairment.

Lease Liability. At commencement date, the Group measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability comprise the following:

i. fixed payments, including in-substance fixed payments;

ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

iii. amounts expected to be payable by the lessee under residual value guarantees; and

iv. the exercise price under a purchase option that the Group is reasonably certain to exercise; lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from unused net operating loss carryover (NOLCO) to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same tax authority.

Foreign Currency-Denominated Transactions and Translation

Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction.

Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at the reporting date. All differences are recognized in profit or loss.

Related Parties and Related Party Transactions

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties.

Parties are considered to be related if one party has the ability to directly or indirectly, control or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled, or under common control with the Group; (b) associates; (c) individuals owning directly or indirectly, an interest in the voting power of the Group that give them significant influence over the Group and close members of the family of any such individual; and (d) members of the key management personnel of the Group.

In considering each possible related party relationship, attention is directly to the substance of the relationship and not merely on the legal form.

Segment Reporting

The Group's operating segments are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services to different markets. Financial information on operating segments is presented in Note 20 to the consolidated financial statements. The Chief Executive Officer (CEO), the chief operating decision maker, reviews management reports on a regular basis. The measurement policies the Group used for segment reporting under PFRS 8 are the same as those used in the consolidated financial statements. There have been no changes in the measurement methods used to determine reported segment profit or loss from prior periods.

For purposes of management reporting, the Group's operating segment is related to its renewable energy generation operations.

Provisions

Provisions are recognized when the Group has a present, legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated statements of financial position when an inflow of economic benefits is probable.

Events After the Reporting Period

Any events after the reporting period that provides additional information about the Group's consolidated financial position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, accounting estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments, accounting estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Group has assessed that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The judgments, accounting estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

Judgments

In the process of applying the Group's accounting policies, management has made certain judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Estimating Variable Considerations. The Group estimates the amount of consideration for its sale of electricity. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty is subsequently resolved.

In estimating the variable consideration, the Group uses the expected value method which is calculated as the sum of probability-weighted amounts in a range of possible consideration amounts.

The estimated variable consideration is updated at the end of each reporting period to faithfully represent the circumstances present at the end of the reporting period. Any changes in transaction price arising from resolution of uncertain events or other changes in circumstances are recognized as revenue or as a reduction to revenue, in the period in which the transaction price changes.

In 2021 and 2020, the Group recognized FIT rate differential based on the approved FIT rate increment which will be recovered for a period of five (5) years from the actual delivery of electricity.

The carrying amount of FIT rate differential receivables and amount of revenues as at and for the years ended December 31, 2021 and 2020 are disclosed in Note 6 to the consolidated financial statements.

Determining the Lease Commitments - Group as a Lessee. The Group has entered into lease agreements for its plant sites and staff houses.

The Group recognized ROU assets and lease liabilities on its lease agreements for plant sites. The Group assessed the appropriate lease term and discount rates which are significant components in the measurement of ROU assets and lease liabilities.

The carrying amounts of ROU assets and lease liabilities are disclosed in Note 16 to the consolidated financial statements.

The Group also has leases with lease terms of 12 months or less. The Group has determined that the recognition exemption for short-term leases and lease of low-value assets applies.

Rent expense on the lease qualifying under the short-term recognition exemption are disclosed in Note 16 to the consolidated financial statements.

Defining the Financial Assets that are in Default and Credit-Impaired. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit- impaired, when it meets one or more of the following criteria:

a. Quantitative Criteria - the borrower is more than 30 days past due on its contractual payments, which is consistent with the Group's definition of default.
b. Qualitative Criteria - The borrower is unlikely to pay, or there are indicators that the borrower is in significant financial difficulty. These are instances where:
    - The borrower is insolvent;
    - The borrower is in breach of financial covenants;
    - It is probable that the borrower will enter bankruptcy or other financial reorganization.

The definitions above have been applied to all financial instruments held by the Group consistently for internal credit risk management purposes. The default definition has been applied consistently, as well, to the determination of ECL.

Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimate at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below.

Assessing the Impairment of Goodwill. The Group tests annually whether any impairment in goodwill should be recognized, in accordance with the related accounting policy. The recoverable amount of CGU has been determined based on value in use calculations which require the use of estimates.

Based on the impairment assessment, the recoverable amount of the CGU as at December 31, 2021 and 2020, calculated based on value in use is greater than the corresponding carrying value (including goodwill) of the CGU. The carrying amount of goodwill disclosed in Note 4 to consolidated financial statements.

Estimating the ECL on Trade Receivables and FIT Rate Differential Receivables. The Company's trade receivables and FIT rate differential receivables are subject to the ECL model.

The Group applies the general approach in measuring ECL for trade receivables and FIT rate differential receivables since its customers can be graded as low risk. At the end of the reporting year, a loss allowance is recognized at an amount equal to 12-month ECL since there has not been a significant increase in credit risk since initial recognition.

The carrying amounts of trade receivables and FIT rate differential receivables are disclosed in Note 6 to the consolidated financial statements.

Assessing the Impairment of Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12-months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime expected credit loss.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Group's financial assets at amortized cost are considered to have low credit risk, and therefore the loss allowance is determined as 12 months expected credit losses. The Group has assessed that the ECL for financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable banks and counterparties with good credit standing and relatively low risk of defaults. Accordingly, no impairment loss was recognized in 2021 and 2020.

The carrying amounts of other financial assets at amortized cost as at December 31, 2021 and 2020 are disclosed in Notes 5, 7 and 14 to the consolidated financial statements.

Estimating the Useful Lives of Property, Plant and Equipment and ROU Assets. The Group reviews annually the estimated useful lives of property, plant and equipment and ROU assets based on expected asset's utilization, market demands and future technological development consistent with the Group's pursuit of constant modernization of the equipment to ensure the availability, reliability and cost efficiency of the equipment. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives. A reduction in estimated useful lives could cause a significant increase in depreciation and amortization of property, plant and equipment and ROU assets.

There was no change in the estimated useful lives of property, plant and equipment and ROU assets in 2021 and 2020. The carrying amount of property, plant and equipment and ROU assets are disclosed in Note 8 and 16 to the consolidated financial statements.

Assessing the Impairment of Nonfinancial Assets, excluding Goodwill. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considered important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;

- significant changes in the manner of use of the acquired assets or the strategy for overall business; or

- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for cash-generating unit to which the asset belongs. Based on management's assessment, the nonfinancial assets are not impaired.

No impairment was recognized in 2021 and 2020.The carrying amounts of nonfinancial assets of the Group are as December 31, 2021 and 2020 are disclosed in Notes 4, 7, and 16 to the consolidated financial statements.

Assessing the Realizability of Deferred Tax Assets. The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The amount of unrecognized deferred tax assets as at December 2021 and 2020 are disclosed in Note 15 to consolidated financial statements.

4. **Goodwill**

The Parent Company's acquisition of 77.78% ownership in SPARC resulted to a goodwill of ₱51,262,928 which is attributable to the expected synergies from combining the operation of the subsidiary and the technical expertise of the Parent Company and to expand its solar power plant operations.

In 2021, the Parent Company paid additional contingent consideration amounting to ₱5,111,720 (see Note 13).

As at December 31, 2021 and 2020, advances for acquisition of investment amounted to ₱14,000,000, which represent deposit made by the Parent Company to purchase the remaining 22.22% of SPARC's common and preferred shares from its minority shareholders.

For purposes of impairment assessment, the Group determined the recoverable amount of goodwill based on value in use which is based on discounted cash flow model using the subsidiary's financial forecasts for the next five years.

Key assumptions used to which the recoverable amounts are most sensitive are revenue growth rates, estimated operational costs, weighted average long-term growth rates and discount rates. Operational costs are determined based on average fixed and variable costs adjusted for inflationary increases but not reflecting any future restructurings or cost saving measures.

The Group has assessed that there is no goodwill impairment based on a discounted cash flow model using projected budget for the next five years. The pre-tax weighted average cost of capital of the entities is 13%.

Non-controlling Interest

Effective percentage of ownership held by non-controlling interest as at December 31, 2021 and 2020 is 22.22%.

The summarized financial information of the material partly owned subsidiary is presented below. This information is based on the amounts before intercompany eliminations.

	2021	2020
Current assets	**₱89,570,436**	₱206,140,123
Noncurrent assets	**870,994,213**	774,378,245
Current liabilities	**651,398,822**	614,815,420
Noncurrent liabilities	**191,825,209**	230,159,282
Equity	**117,340,618**	135,543,666
Revenue	**125,715,556**	105,470,885
Net income (loss)	**(17,938,240)**	14,889,931
Total comprehensive income (loss)	**(17,938,240)**	14,889,931

5. Cash and Cash Equivalents

This account consists of:

	2021	2020
Cash on hand	**₱94,780**	₱74,780
Cash in banks	**4,056,693**	3,134,513
Cash equivalents	**18,000,000**	256,839
	₱22,151,473	₱3,466,132

Cash in banks and cash equivalents earn interest at prevailing bank deposit rates. Cash in banks are immediately available for use in the current operations. Cash equivalents are short-term deposits made for varying periods of up to three (3) months from date of maturity depending on the immediate cash requirements of the Group.

Interest income recognized in the consolidated statements of comprehensive income follows:

	Note	2021	2020
FIT rate differential receivables	6	**₱423,917**	₱348,925
Cash in banks and cash equivalents		**59,844**	119,867
		₱483,761	₱468,792

6. Trade and Other Receivables

This account consists of:

	Note	2021	2020
Trade		**₱19,221,827**	₱13,125,811
FIT rate differential receivables	16	**18,425,315**	11,801,843
Other receivables		**233,380**	61,375
		37,880,522	24,989,029
Less: allowance for impairment loss		**(2,467,554)**	(1,572,018)
		35,412,968	23,417,011
Noncurrent portion		**18,320,185**	11,801,843
Current portion		**₱17,092,783**	₱11,615,168

Trade receivables pertain to receivable from revenue on power generation. These are noninterest-bearing and are generally collectible within 30 to 90 days. The Group is entitled to collect default interest 30 days after due date based on 91-day treasury bill rate plus 300 basis points.

FIT rate differential receivables pertain to retroactive FIT rate adjustments in which the Group is entitled to collect within 5 years from actual delivery of electricity (see Note 16).

Balances for FIT rate differential receivables are as follows:

	2021	2020
Current	**₱105,130**	₱–
Noncurrent	**18,320,185**	11,801,843
	₱18,425,315	₱11,801,843

Interest income earned from FIT rate differential receivables amounting to ₱423,917 and ₱348,925 in 2021 and 2020, respectively (see Note 5).

Other receivables include advances from employees for business-related expenses subject to liquidation.

Movements and balances of allowance for impairment of trade receivables are as follows:

	Note	**2021**	2020
Balance at beginning of year		**₱1,572,018**	₱1,208,171
Provision	12	**895,536**	363,847
Balance at end of year		**₱2,467,554**	₱1,572,018

7. Other Assets

This account consists of:

	Note	**2021**	2020
Current			
Restricted cash	10	**₱9,795,440**	₱12,183,941
Current input VAT		**7,739,640**	7,517,307
Prepayments		**2,341,192**	690,431
Deferred input VAT		**1,900,420**	268,096
		21,776,692	20,659,775
Less: allowance for impairment of other current assets		**(835,950)**	(835,950)
		20,940,742	19,823,825
Noncurrent			
Advances to suppliers and contractors		**49,015,727**	3,454,328
Security deposits	16	**155,274**	149,274
		49,171,001	3,603,602
		₱70,111,743	₱23,427,427

Restricted cash pertains to fund set aside for next quarter payment of loan and interest (see Note 10).

Current input VAT includes VAT on imported materials for the solar energy facilities covered by the import entry declaration by the Bureau of Customs.

Deferred input VAT pertains to input VAT from unpaid services.

Advances to suppliers and contractors pertain to the down payments made for capitalizable assets to be used for the Group's operations.

Security deposits pertain to deposits on lease contracts entered by the Group. These are non-refundable and will be generally applied as final payment at the end of lease agreement.

8. Property, Plant and Equipment

Movements and balances of this account consist of:

	2021				
	Solar Equipment	**Solar Plant Facilities and Site Equipment**	**Transportation Equipment**	**Furniture, Fixtures and Office Equipment**	**Total**
Cost					
Balance at beginning of year	**₱697,840,878**	**₱367,005,824**	**₱1,349,107**	**₱522,103**	**₱1,066,717,912**
Additions	**100,450,180**	**1,071,576**	**–**	**65,696**	**101,587,452**
Balance at end of year	**798,291,058**	**368,077,400**	**1,349,107**	**587,799**	**1,168,305,364**
Accumulated Depreciation					
Balance at beginning of year	**170,097,380**	**70,246,874**	**1,092,694**	**419,112**	**241,856,060**
Depreciation	**40,622,004**	**22,935,846**	**111,821**	**48,902**	**63,718,573**
Balance at end of year	**210,719,384**	**93,182,720**	**1,204,515**	**468,014**	**305,574,633**
Carrying Amount	**₱587,571,674**	**₱274,894,680**	**₱144,592**	**₱119,785**	**₱862,730,731**

	2020				
	Solar Equipment	Solar Plant Facilities and Site Equipment	Transportation Equipment	Furniture, Fixtures and Office Equipment	Total
Cost					
Balance at beginning of year	₱697,840,878	₱367,005,824	₱1,349,107	₱417,103	₱1,066,612,912
Additions	–	–	–	105,000	105,000
Balance at end of year	697,840,878	367,005,824	1,349,107	522,103	1,066,717,912
Accumulated Depreciation					
Balance at beginning of year	135,200,599	52,937,503	822,873	344,823	189,305,798
Depreciation	34,896,781	17,309,371	269,821	74,289	52,550,262
Balance at end of year	170,097,380	70,246,874	1,092,694	419,112	241,856,060
Carrying Amount	₱527,743,498	₱296,758,950	₱256,413	₱102,991	₱824,861,852

The cost of fully depreciated property, plant and equipment still being used by the Group amounted to ₱1,430,828 and ₱1,141,333 as at December 31, 2021 and 2020, respectively.

Property, Plant and Equipment as Loan Securities

The Group's solar equipment, plant facilities and site equipment were mortgaged in favor of certain creditor bank as collateral to finance their construction and acquisition (see Note 10). The carrying amounts are as follows:

	2021	2020
Solar equipment	**₱587,571,674**	₱527,743,498
Solar plant facilities and site equipment	**274,894,680**	296,758,950
	₱862,466,354	₱824,502,448

Depreciation and Amortization

Depreciation and amortization charged to operations are as follows:

	Note	**2021**	2020
Property, plant and equipment		**₱63,718,573**	₱52,550,262
ROU assets	16	**3,021,822**	3,035,903
		₱66,740,395	₱55,586,165

Depreciation and amortization are distributed as follows:

	Note	**2021**	2020
Cost of sale of electricity	11	**₱66,579,672**	₱55,242,057
Operating expenses	12	**160,723**	344,108
		₱66,740,395	₱55,586,165

9. Trade and Other Payables

This account consists of:

	Note	**2021**	2020
Trade		**₱12,645,224**	₱6,973,669
Accrued expenses		**54,357,665**	51,817,541
Statutory payables		**702,216**	503,011
Interest payable	10	**278,683**	3,816,852
Others		**429,775**	429,775
		₱68,413,563	₱63,540,848

Trade payables are noninterest-bearing and are generally settled in varying periods within one (1) year depending on the arrangements with suppliers.

Accrued expenses consist primarily of accrual for ancillary services rendered by the National Grid Corporation of the Philippines (NGCP) and for financial benefits to be paid to the Department of Energy (DOE) (see Note 16) which is generally settled within one (1) year after the reporting date.

Statutory payables include taxes withheld by the Group on employees' compensation and on payments to suppliers. These are remitted to the respective regulatory agencies in the following month.

Interest payable pertains to accrued interest from loan payable to local creditor bank.

10. Loan Payable

Balance and movements in this account are as follows:

	2021	2020
Balance at beginning of year	**₱207,792,727**	₱227,273,295
Payments	**(32,467,614)**	(19,480,568)
Balance at end of year	**175,325,113**	207,792,727
Less unamortized debt issue costs	**(1,111,462)**	(1,358,188)
	174,213,651	206,434,539
Less: current portion	**25,974,091**	25,974,091
Noncurrent portion	**₱148,239,560**	₱180,460,448

On August 19, 2016, SPARC entered into a 12-year loan agreement for the construction of its 14.0-Megawatt (MW) solar power plants. The total credit facility amounted to ₱800,000,000 but shall only be allowed for drawdown when the Solar Power Plants, on a per site basis, become eligible for feed-in tariff (FIT) rate of not less than ₱6.00 per kilowatt hour (kWh) as granted by the Energy Regulatory Commission (ERC).

The Group was granted the first loan and only drawdown amounting to ₱285,715,000 out of ₱800,000,000 credit facility after the 5.0-MW plant in Palauig, Zambales became eligible for FIT rate at ₱8.70 per kWh in 2016.

The loan bears an annual interest rate of 5.5% for the first five (5) years subject to repricing starting September 2021. Starting September 9, 2021, the annual interest is at 6.5% until the loan matures on September 8, 2028. The loan is payable in 44 equal quarterly installments that started on the fifth quarter after drawdown.

The loan payable includes financial covenants such as debt-to-equity ratio, current ratio, and debt service coverage ratio during the term of the loan. As at December 31, 2021 and 2020, the Group has complied only with debt service coverage ratio. The Group, however, has not received any notice from the creditor bank on the partial non-compliance of the financial loan covenants and has continued to make payments based on the original terms of the loan and. Accordingly, the Group did not reclassify the noncurrent portion of the loan as current.

Events After the Reporting Period

On April 3, 2024, the creditor bank waived SPARC's compliance with the maximum debt-to-equity and minimum current ratio as at December 31, 2023 and the submission of the remaining post-release documents. In addition, the creditor bank directed SPARC to infuse additional capital of at least ₱80,000,000 until September 30, 2024, and not pay its advances to shareholders/due to related parties for as long as the loan remains outstanding.

The loan is secured by chattel mortgages over all the assets in the three (3) solar power plants, the value of which is higher compared with the loan granted (see Note 8), pledge over all shares of stock held by the stockholders of SPARC, assignment of rights and privileges over the Renewable Energy Payment Agreement (REPA) with National Transmission Corporation (TransCo.) and real estate mortgage over leasehold rights on various lease contracts on the three (3) solar power plants (see Note 16), maintenance of all revenue account for the three (3) solar power plants with the lending bank and hold out of one (1) quarterly amortization in the debt service account maintained with the lending bank.

Restricted cash amounted to ₱9,795,440 and ₱12,183,941 as at December 31, 2021 and 2020 were set aside for the next quarterly payment of loans (see Note 7).

Expected Loan Repayments

The expected loan principal repayments over the remaining term of the loan as at December 31, 2021 and 2020 are as follows:

	2021	2020
Not later than one year	**₱25,974,091**	₱32,467,614
Later than one year but not later than five years	**103,896,364**	103,896,364
Later than five years	**45,454,658**	71,428,749
	₱175,325,113	₱207,792,727

Debt Issue Costs

Debt issue costs pertain to documentary stamp taxes and other transaction costs incurred in connection with the loan. Movements of unamortized debt issue costs are as follows:

	2021	2020
Balance at beginning of year	**₱1,358,188**	₱1,604,914
Amortization	**(246,726)**	(246,726)
Balance at end of year	**₱1,111,462**	₱1,358,188

Interest Expense

Interest expense charged to operations in 2021 and 2020 are as follows:

	Note	**2021**	2020
Loan payable		**₱10,355,479**	₱12,237,663
Lease liabilities	16	**2,870,155**	2,973,868
		₱13,225,634	₱15,211,531

The changes in the Group's liabilities arising from financing activities in 2021 and 2020 are as follows:

	2021					
			Noncash Changes			
	Balance at Beginning of Year	**Financing Cash Flows**	**Interest Expense**	**Amortization of Debt-Issue Costs**	**Unrealized Foreign Exchange Loss**	**Balance at End of Year**
Loan payable	**₱206,434,539**	**(₱32,467,614)**	**₱–**	**₱246,726**	**₱–**	**₱174,213,651**
Interest payable	**3,816,852**	**(13,646,922)**	**10,355,479**	**(246,726)**	**–**	**278,683**
Lease liabilities	**47,449,097**	**(4,758,804)**	**2,870,155**		**–**	**45,560,448**
Due to related parties	**771,529,364**	**–**	**–**	**–**	**31,675,372**	**803,204,736**
	₱1,029,229,852	**(₱50,873,340)**	**₱13,225,634**	**₱–**	**₱31,675,372**	**₱1,023,257,518**

	2020					
			Noncash Changes			
	Balance at Beginning of Year	Financing Cash Flows	Interest Expense	Amortization of Debt-Issue Costs	Unrealized Foreign Exchange Gain	Balance at End of Year
Loan payable	₱225,668,381	(₱19,480,568)	₱–	₱246,726	₱–	₱206,434,539
Interest payable	753,427	(8,927,512)	12,237,663	(246,726)	–	3,816,852
Lease liabilities	49,237,032	(4,761,803)	2,973,868	–	–	47,449,097
Due to related parties	799,330,463	–	–	–	(27,801,099)	771,529,364
	₱1,074,989,303	(33,169,883)	₱15,211,531	₱–	(₱27,801,099)	₱1,029,229,852

11. **Cost of Sale of Electricity**

This account consists of:

	Note	2021	2020
Depreciation and amortization	8	**₱66,579,672**	₱55,242,057
Service fees		**16,502,952**	24,287,160
Taxes and licenses		**8,092,841**	7,248,335
Personnel costs		**6,422,036**	7,056,162
Security Services		**2,791,767**	1,864,286
Utilities		**1,402,395**	1,300,712
Insurance		**1,380,863**	1,355,288
Rental	16	**150,000**	108,000
Others		**989,488**	1,395,121
		₱104,312,014	₱99,857,121

Service fees pertain to distribution wheeling charges, transmission and ancillary services related to the generation of solar energy (see Note 16).

12. **Operating Expenses**

This account consists of:

	Note	2021	2020
Professional and contractors' fees		**₱1,009,909**	₱1,872,989
Provision for impairment of trade receivables	6	**895,536**	363,847
Personnel cost		**777,162**	1,007,984
Depreciation	8	**160,723**	344,108
Representation		**139,167**	6,206
Taxes and licenses		**220,710**	118,203
Tools and supplies		**55,770**	–
Transportation and travel		**10,852**	22,886
Others		**739,577**	1,309,761
		₱4,009,406	₱5,045,984

13. **Other Income (Charges)** - Net

This account consists of:

	Note	2021	2020
Unrealized foreign exchange gain (loss)	14	**(₱31,675,372)**	₱27,801,099
Loss from changes in fair value of contingent consideration	4	**(5,111,720)**	–
Interest income	5	**483,761**	468,792
Others		–	246,677
		(₱36,303,331)	₱28,516,568

14. Related Party Transactions

The Group has transactions with its related parties in the ordinary course of business as follows:

	Nature	Amount of Transactions		Balance at End of Year	
		2021	2020	**2021**	2020
Due from Related Parties					
Entities Under Common Control	Advances for working capital	**₱–**	₱31,989,425	**₱45,011,308**	₱91,460,258
PEHC	Advances for working capital	**–**	–	**5,000,000**	105,000,000
Stockholders	Advances for working capital	**4,540,000**	–	**4,540,000**	–
				₱54,551,308	₱196,460,258

	Nature	Amount of Transactions		Balance at End of Year	
		2021	2020	2021	2020
Due to Related Parties					
Stockholders	Advances for working capital	**₱–**	₱–	**₱555,044,820**	₱523,369,448
PEHC	Advances for working capital	**–**	–	**248,159,916**	248,159,916
				₱803,204,736	₱771,529,364

Due from Related Parties

Due from related parties are noninterest bearing, unsecured, collectible in cash, and due and demandable. No impairment loss was recognized in 2021 and 2020.

Due to Related Parties

Due to related parties is noninterest bearing, unsecured and payable in cash.

In 2016, the Group received foreign currency-denominated advances from a stockholder amounting to United States (US) $10,643,606. Unrealized foreign exchange gain (loss) from advances amounted to (₱31,675,372) and ₱27,801,099 in 2021 and 2020, respectively (see Note 13).

Compensation of Key Management Personnel

Short term benefits paid to the key management personnel of the Group amounted to ₱2,880,000 and nil in 2021 and 2020, respectively.

Events After Reporting Period

On May 31, 2023, the stockholders and the BOD of the Parent Company approved the increase in authorized capital stock and the reduction of par value from ₱50,000,000 divided into 50,000,000 shares at par value of ₱1 per share, to ₱200,000,000 divided into 2,000,000,000 shares with a par value of ₱0.10 per share.

On December 13, 2023, the SEC approved the increase in authorized capital stock and the reduction in par value. PEHC applied its advances amounting to ₱248,159,916 as payment for an additional subscription of common shares from the unissued portion of the authorized capital stock and a portion of the increase in authorized capital stock aggregating ₱75,000,000. The excess of the advances over the par value of the additional subscription resulted to additional paid-in capital of ₱173,159,916.

On February 16, 2024, PEHC subscribed to additional common shares amounting to ₱31,500,000, divided into 315,000,003 shares at par value of ₱0.10.

15. **Income Taxes**

The Group has no current income tax in 2021 and 2020 due to the income tax holiday and net loss position.

SPARC is entitled to tax incentives under its registration with the Board of Investments (BOI) for the operation of its Solar Power Plants. One of the incentives is a seven-year income tax holiday (ITH) from March 2016, the date of actual commercial operations. The ITH is only applicable to revenues generated from the sale of electricity of the Solar Power Plants (the Registered Activity). SPARC's ITH will expire in March 2023. After the expiration of ITH, SPARC is entitled to a 10% preferential tax on net taxable income.

The details of the Group's deferred tax liabilities are as follows:

	2021	2020
Difference between the fair value and carrying amount of property, plant and equipment	**₱29,124,290**	₱33,429,620
Unrealized foreign exchange gain	**–**	4,209,221
	₱29,124,290	₱37,638,841

The Group's unrecognized deferred tax assets are as follows:

	2021	2020
Unrealized foreign exchange loss	**₱1,483,848**	₱–
NOLCO	**549,749**	1,299,950
Effect of PFRS 16	**279,121**	165,803
Provision for impairment of trade receivables	**246,755**	157,202
Excess MCIT over RCIT	**–**	13,503
	₱2,559,473	₱1,636,458

As at December 31, 2021 and 2020, management assessed that it may not be probable that sufficient future taxable income will be available against which the benefits of the foregoing deferred tax assets can be utilized.

Details of NOLCO are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Expiration Year
2021	₱–	₱113,738	₱–	₱113,738	2026
2020	161,540	–	–	161,540	2025
2019	1,923,718	–	–	1,923,718	2022
2018	2,247,908	–	2,247,908	–	2021
	₱4,333,166	₱113,738	₱2,247,908	₱2,198,996	

As mandated by Section 4 of Republic Act No. 11494 or the "Bayanihan to Recover as One Act" and as implemented under Revenue Regulations No.25-2020, the net operating loss of a business enterprise incurred for the taxable years 2021 and 2020 can be carried over as a deduction from taxable income for the next five (5) consecutive taxable years following the year of such loss.

The Group's excess MCIT over RCIT incurred in 2018 amounting to ₱13,503 expired in 2021.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

On March 26, 2021, the CREATE was approved and signed into law by the country's President. Under the CREATE, the RCIT of domestic corporations was revised from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. In addition, the MCIT was changed from 2% to 1% of gross income for a period of three (3) years. The changes in the income tax rates became effective beginning July 1, 2020. Since the Group is entitled to income tax holiday and is in a tax loss position, the change in income tax rate to the Group's consolidated financial statements does not have significant financial impact as at December 31, 2021 and 2020.

The reconciliation of income tax computed at the statutory tax rate to income tax expense as shown in the consolidated statements of comprehensive income is summarized as follows:

	2021	2020
Income tax expense (benefit) computed at statutory tax rate	**(₱8,033,707)**	₱3,468,204
Add (deduct) tax effects of:		
Loss (income) subject to income tax holiday (ITH)	**(4,383,431)**	1,725,505
Nondeductible expenses	**1,445,097**	9,498
Expired NOLCO and MCIT	**588,983**	249,087
Interest income subjected to final tax	**(14,961)**	(28,746)
Difference in tax rates	**960,453**	409,787
Changes in unrecognized deferred tax asset	**923,015**	(3,143,441)
	(₱8,514,551)	₱2,689,894

16. Significant Commitments

The Group as a Lessee

The Group entered into various operating lease agreements for a period of 20 years for the lease of land where the solar power plants are situated. The lease contracts have renewal provisions of 10 years subject to mutual agreement by the Group and the lessors.

Leasehold rights on various contracts of lease are covered by real estate mortgage as security to the Group's loan with LBP (see Note 10).

Balance of security deposits made on the lease agreements amounted to ₱155,274 and ₱149,274 as at December 31, 2021 and 2020, respectively (see Note 7).

The balances and movements in ROU assets are as follows:

	Note	**2021**	2020
Cost			
Balance at beginning and end of year		**₱51,862,870**	₱51,862,870
Derecognition		**(36,611)**	–
Balance at end of year		**51,826,259**	51,862,870
Accumulated Amortization			
Balance at beginning of year		**6,071,806**	3,035,903
Amortization	8	**3,021,822**	3,035,903
Derecognition		**(36,611)**	–
Balance at end of year		**9,057,017**	6,071,806
Carrying Amount		**₱42,769,242**	₱45,791,064

The balance and movements in lease liabilities follow:

	Note	**2021**	2020
Balance at beginning of year		**₱47,449,097**	₱49,237,032
Interest expense	10	**2,870,155**	2,973,868
Payments		**(4,758,804)**	(4,761,803)
Balance at end of year		**45,560,448**	47,449,097
Current portion of lease liabilities		**1,974,800**	1,959,485
Noncurrent portion of lease liabilities		**₱43,585,648**	₱45,489,612

Future minimum lease payables under the non-cancellable lease agreement as at December 31, 2021 and 2020 are as follows:

	2021		2020	
	Minimum Lease Payments	**Present Value**	Minimum Lease Payments	Present Value
Within one year	**₱4,735,961**	**₱2,175,642**	₱4,735,961	₱2,058,584
More than one year but not later than five years	**18,943,844**	**10,049,408**	18,943,844	9,494,952
More than five years	**42,979,997**	**33,335,398**	47,546,023	35,895,561
	₱66,659,802	**₱45,560,448**	₱71,225,828	₱47,449,097

The Group has certain leases for staff house with a lease term of 12 months or less. The Group applies the "short-term lease" recognition exemption for these leases.

Rental expense incurred under the non-cancellable operating lease agreements recorded under "Cost of Sale of Electricity" account amounted to ₱150,000 and ₱108,000 in 2021 and 2020, respectively (see Note 12).

Renewable Energy Generation

Solar Energy Service Contract (SESC)

The Government, through the DOE, awarded solar energy service contracts to the Group that grant exclusive right to explore, develop and utilize solar energy resources within specified contract areas. The contract period is 25 years which is divided into two (2) stages: the pre-development stage and the development or commercial stage.

The pre-development stage refers to preliminary assessment and feasibility study activities and shall be for a period of two (2) years from the effective date with an extendible period of one (1) year. The development or commercial stage commences from the confirmation of commerciality by the DOE and refers to the construction and installation of facilities up to the operation phase.

As at December 31, 2021 and 2020, all three (3) SESC of the Group in Bulacan, Bataan and Zambales are in the commercial stage.

A disaggregation of the Group's revenue from contracts with customers as follows:

	2021	2020
FIT	**₱63,948,870**	₱74,538,897
Wholesale Electricity Spot Market (WESM)	**₱61,766,686**	₱30,931,988
	₱125,715,556	105,470,885

Market Participation Agreement (MPA)
The Group entered into MPA to be a WESM Participant with IEMOP as its Market Operator to sell bulk energy generated from its solar power plants subject to WESM rules and manuals.

Certificate of Compliance for Feed-In-Tariff System (COC-FIT)
On February 6, 2017, the ERC issued a COC-FIT for the Palauig Solar Power Project in Zambales. The Palauig Solar Power Project is entitled to the FIT rate, as approved by the ERC for a period of 20 years from March 16, 2016 to March 12, 2036. The term of COC-FIT is until December 7, 2021. On February 4, 2022, SPARC was granted a Provisional Authority to Operate under FIT system (PAO- FIT) for a period of another year until December 7, 2022. As at report date, SPARC is in the process of applying for the renewal of the COC-FIT.

Renewable Energy Payment Agreement (REPA) with National Transmission Corporation (TransCo.)
On July 5, 2016, the Group entered into an agreement with NTC to set-out rights and obligations relating to the payment of actual FIT revenue to the Group for electricity generated in the 5.0-MW plant in Palauig, Zambales.

On May 6, 2020, the Energy Regulation Commission issued ERC Resolution No. 06 series of 2020 which approved adjustments to the FIT rate from 2017 to 2020. The Group accrued the retroactive revenue adjustments based on the revised FIT rates.

FIT rate differential receivables from retroactive FIT rate adjustments amounted to ₱18,425,315 and ₱11,801,843 as at December 31, 2021 and 2022, respectively (see Note 6).

Memorandum of Agreement (MOA) with DOE
On April 11, 2016, the Group entered into an agreement with the DOE to grant financial benefits and/or energy resources to its host communities pursuant to Energy Regulations (E.R.) No. 1-94 implementing Section 5(i) of R.A. No. 7638, otherwise known as the "Department of Energy Act of 1992". The agreement covers the solar power plants of the Group in Bataan, Bulacan and Zambales.

The accrued financial benefits amounting to ₱179,210 and ₱835,122 as at December 31, 2021 and 2020, respectively. These are recorded as part of "Accrued expenses" under "Trade and other payables" account in the consolidated statements of financial position.

Metering and Transmission Service Agreement with NGCP
On June 26, 2016, the Group entered into an agreement with NGCP to construct concrete foundations and grounding connections, security fence, land line and telephone connection for the Group's power plants and pay the metering and transmission service charge to NGCP in accordance with prescribed rates.

Metering and transmission costs charged to operations amounted to ₱16,390,075 and ₱24,126,414 in 2021 and 2020, respectively. These are recorded as part of "Service fees" under "Cost of services" in the consolidated statements of comprehensive income.

On October 12, 2021, NGCP ceased the inclusion of ancillary service costs in its billing starting September 1, 2021. Ancillary service costs incurred amounting to ₱53,971,922 and ₱49,960,858 as at December 31, 2021 and 2020, respectively. These are recorded as part of "Accrued expenses" under "Trade and other payables" in the statements of financial position.

Legal Proceedings
The Group is involved in certain legal proceedings. Management believes that the ultimate liability, if any, with respect to such disputes will not materially affect the financial position of the Group.

17. Financial Risk Management Objectives and Policies and Capital Management

The Group's principal financial instruments consist mainly of financial assets and financial liabilities directly related to operations specifically cash and cash equivalents, trade receivables, FIT rate differential receivables, due from related parties, restricted cash (presented as "Other current assets"), trade and other payables (excluding statutory payables), loan payable, lease liabilities and due to related parties.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency risk. The BOD reviews and agrees on policies for managing each of these risks.

Credit Risk
Credit risk is the risk that counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers including related parties, placing deposits with banks and investing in short-term placements.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

Generally, receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity, and a failure to make contractual payments for a period greater than one (1) year.

The carrying amount of financial assets recorded in the consolidated financial statements, which is net of impairment losses, representing the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained is summarized below:

	2021	2020
Cash and cash equivalents (excluding cash on hand)	**₱22,056,693**	₱3,391,352
Trade receivables and FIT rate differential receivables	**35,179,588**	23,355,636
Due from related parties	**54,551,308**	196,460,258
Restricted cash (presented as part of "Other current assets")	**9,795,440**	12,183,941
	₱121,583,029	₱235,391,187

An impairment analysis on trade receivables and FIT rate differential receivables are performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for customers with similar loss patterns. The Group does not hold collateral as security.

The Group's trade receivables and FIT rate differential receivables are collectible from TransCo, a government-owned and controlled corporation, and Independent Electricity Market Operator of the Philippines, an autonomous group market operator.

The credit quality of financial assets is managed by the Group using internal credit quality ratings.

The table below shows the credit risk exposure of the Group's financial assets at amortized cost via provision matrix and the corresponding ECL recognized for each age category.

	2021						
			Past Due				
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total	Expected Credit Loss
Simplified approach -							
Trade receivables	₱–	₱16,558,543	₱134,457	₱93,704	₱2,435,123	₱19,221,827	₱2,467,554
FIT rate differential receivables	–	18,425,315	–	–	–	18,425,315	–
	–	34,983,858	134,457	93,704	2,435,123	37,647,142	2,467,554
12-month ECL:							
Cash and cash equivalents*	22,056,693	–	–	–	–	22,056,693	–
Restricted cash	9,795,440	–	–	–	–	9,795,440	–
Due from related parties	–	54,551,308	–	–	–`	54,551,308	–
	31,852,133	54,551,308	–	–	–	86,403,441	–
	₱31,852,133	₱89,535,166	₱134,457	₱93,704	₱2,435,123	₱124,050,583	₱2,467,554

**Excluding cash on hand amounting to ₱94,780 as at December 31, 2021.*

	2020						
			Past Due				
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total	Expected Credit Loss
Simplified approach -							
Trade receivables	₱–	₱11,465,805	₱24,939	₱107,693	₱1,527,374	₱13,125,811	₱1,572,018
FIT rate differential receivables	–	11,801,843	–	–	–	11,801,843	–
	–	23,267,648	24,939	107,693	1,527,374	24,927,654	1,572,018
12-month ECL:							
Cash and cash equivalents*	3,391,352	–	–	–	–	3,391,352	–
Restricted cash	12,183,941	–	–	–	–	12,183,941	–
Due from related parties	–	196,460,258	–	–	–`	196,460,258	–
	15,575,293	196,460,258	–	–	–	212,035,551	–
	₱15,575,293	₱219,727,906	₱24,939	₱107,693	₱1,527,374	₱236,963,205	₱1,572,018

**Excluding cash on hand amounting to ₱74,780 as at December 31, 2020.*

The Group's financial assets are categorized based on the Group's collection experience with the counterparties as follows:

a. High Grade – settlements are obtained from counterparty following the terms of the contracts without much collection effort.

b. Standard Grade – some reminder follow-ups are performed to obtain settlement from the counterparty.

c. Past Due – items with history of frequent defaults but nevertheless the amount of due are still collectible.

The Group's cash and cash equivalents and restricted cash are deposited with highly reputable and pre-approved financial institutions with good credit standing in the local banking industry. The risk of default for related parties is low since the Group transacts with related parties that have capacities to meet their contractual cash flow obligation in the near term. The Group assessed that the ECL from these financial assets are not significant.

Liquidity Risk

Liquidity risk arises from the Group's inability to raise sufficient funds at the least possible cost to meet its financial commitments. The Group's objectives in liquidity management are: (a) to ensure that adequate funds are available to meet expiring obligations; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access additional funding when needed at the least possible cost.

The table below summarizes the maturity profile of the financial liabilities of the Group based on remaining contractual undiscounted cash flows as at December 31, 2021 and 2020:

	2021				
	Due and Demandable	**Less than 1 year**	**1-5 years**	**Over 5 years**	**Total**
Trade and other payables*	**₱–**	**₱67,711,347**	**₱–**	**₱–**	**₱67,711,347**
Lease liabilities**	**–**	**4,735,961**	**18,943,844**	**42,979,997**	**66,659,802**
Loan payable**	**–**	**36,735,370**	**130,089,544**	**48,409,213**	**215,234,127**
Due to related parties	**803,204,736**	**–**	**–**	**–**	**803,204,736**
	₱803,204,736	**₱109,182,678**	**₱149,033,388**	**₱91,389,210**	**₱1,152,810,012**

**Excluding statutory liabilities amounting to ₱702,216 as at December 31, 2021.*
***Includes future interest payments*

	2020				
	Due and Demandable	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables*	₱–	₱63,037,837	₱–	₱–	₱63,037,837
Lease liabilities**	–	4,735,961	18,943,844	47,546,023	71,225,828
Loan payable**	–	42,823,092	136,842,808	78,391,318	258,057,218
Due to related parties	771,529,364	–	–	–	771,529,364
	₱771,529,364	₱110,596,890	₱155,786,652	₱125,937,341	₱1,163,850,247

**Excluding statutory liabilities amounting to ₱503,010 as at December 31, 2020.*
***Includes future interest payments*

The Group monitors its risk to a shortage of funds through analyzing the maturity of its financial investments and financial assets and cash flows from operations. The Group monitors its cash position by a system of cash forecasting. All expected collections, check disbursements and other payments are determined on a daily basis to arrive at the projected cash position to cover its obligations.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's market risk policy requires it to manage interest rate risk by maintaining appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and liabilities. Any gap between the maturities of fixed and variable rate instruments is effectively managed by the Group. The future interest rates changes are not expected to significantly affect the Group's income before income tax.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with other variables held constant to the Group's income before income tax:

	2021	2020
Increase (decrease) in basis points:		
+50	**(₱8,766,256)**	(₱10,389,636)
-50	**8,766,256**	10,389,636

Foreign Currency Risk
The Group's due to stockholder is denominated in US dollar. Consequently, exposures to exchange rate fluctuations arise. The Group's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines.

The dollar equivalent of the foreign currency-denominated due to related parties amounted to $10,643,606 as at December 31, 2021 and 2020. The carrying amounts of the Group's foreign currency-denominated due to related parties amounted to ₱542,813,277 and ₱511,137,905 as at December 31, 2021 and 2020, respectively.

The exchange rates per peso applied for purposes of restating the outstanding balance are ₱50.99 and ₱48.02 as at December 31, 2021 and 2020, respectively.

With all other variables held constant, the table below demonstrates the sensitivity to a reasonably possible change in the Group's income before income tax for the years ended December 31, 2021 and 2020:

	Increase/Decrease in Exchange Rate	Effect on Income before Income Tax
December 31, 2021	**+2.12%**	**(₱11,507,641)**
	-2.12%	**11,507,641**
December 31, 2020	+2.27%	(11,602,830)
	-2.27%	11,602,830

Capital Management
The primary objective of the Group's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations and drive its expansion and growth in the future.

The Group regularly monitors its capital position and assesses business conditions to ensure early detection and determination of risks and its consequent adverse impact. The Group adopts measures, as deemed necessary and appropriate, to mitigate risks.

In determining reasonable leverage, the Group evaluates its cost of capital and manages its level of debt to maintain an optional cost of capital based in current conditions. The Group considers its equity as capital.

The Group is required to maintain debt-to-equity ratios in accordance with its loan agreements (see Note 10).

No changes were made in the objectives, policies, and process in 2021 and 2020.

18. Fair Value Measurement

The carrying amounts and estimated fair values of the Group's financial assets and financial liabilities are presented below:

	2021		2020	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents (excluding cash on hand)	**₱22,056,693**	**₱22,056,693**	₱3,391,352	₱3,391,352
Trade receivables and FIT rate differential receivables	**35,179,588**	**35,179,588**	23,355,636	23,355,636
Due from related parties	**54,551,308**	**54,551,308**	196,460,258	196,460,258
Restricted cash	**9,795,440**	**9,795,440**	12,191,431	12,191,431
	₱121,583,029	**₱121,583,029**	₱235,398,677	₱235,398,677
Financial Liabilities				
Trade and other payables*	**₱67,711,347**	**₱67,711,347**	₱63,037,837	₱63,037,837
Loans payable	**174,213,651**	**174,653,041**	206,434,539	207,407,098
Due to related parties	**803,204,736**	**803,204,736**	771,529,364	771,529,364
	₱1,045,129,734	**₱1,045,569,124**	₱1,041,001,740	₱1,041,974,299

**Excluding statutory payables amounting to ₱702,216 and ₱503,010 as at December 31, 2021 and 2020, respectively.*

Management has determined that the carrying amounts of cash and cash equivalents, trade and other receivables, due from related parties, restricted cash, trade and other payables (excluding statutory payables) and due to related parties approximate their fair values because of their short-term maturities.

Loans Payable. The fair value of loan payable is the present value of all future cash flows discounted using applicable rates for similar types of loans. The fair value of the loan payable is classified under level 2 (significant observable inputs) of the fair value hierarchy. The discount rates used are 4.62% and 2.84% in 2021 and 2020, respectively.

19. Earnings (Loss) Per Share

The following table presents information necessary to calculate earnings (loss) per share:

	2021	2020
Net income (loss) attributable to the equity holders of the Parent Company	**(₱18,398,653)**	₱8,662,405
Weighted average number of common shares	**12,500,000**	12,500,000
	(₱1.47)	₱0.69

Earnings (loss) per share is calculated using the net income (loss) attributable to the equity holders of the Parent Company divided by the weighted average number of common shares. The Group has assessed that there were no dilutive common shares as at December 31, 2021 and 2020.

20. **Segment Reporting**

For management reporting purposes, the Group is organized based on its activities and has one operating segment which is the renewable energy generation segment. This segment undertakes the generation of electricity through solar power plants which are within the Group's country of domicile.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Registration No. PP201007009

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REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY CONSOLIDATED FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
NexGen Energy Corp. (formerly Just Solar Corp.) and Subsidiaries
3rd Floor JTKC Centre
2155 Don Chino Roces Ave.
Makati City, Philippines

We have audited the accompanying consolidated financial statements of NexGen Energy Corp. (formerly Just Solar Corp.) (the Parent Company) and Subsidiary (the Group) (a wholly-owned subsidiary of Pure Energy Holdings Corporation) as at and for the years ended December 31, 2021 and 2020, on which we have rendered our report dated April 8, 2024.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Parent Company has one (1) stockholder owning one hundred (100) or more shares.

REYES TACANDONG & CO.

ARTHUR VINSON U. ONG
Partner
CPA Certificate No. 120745
Tax Identification No. 253-222-555-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-015-2023
Valid until June 4, 2026
PTR No. 10072419
Issued January 2, 2024, Makati City

April 8, 2024
Makati City, Metro Manila

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RSM

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

NEXGEN ENERGY

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of NexGen Energy Corp. (formerly Just Solar Corp.) (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at and for the years ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Renato Z. Locsin
Chairman of the Board

Eric Peter Y. Roxas
President / Chief Executive Officer

Suzanne S. Cañete
Treasurer

SUBSCRIBE AND SWORN to before me this ____ day of 08 APR 2024 in the MAKATI

Signed this 8th day of April, 2024

ATTY JOSHUA P. LAPUZ
NOTARY PUBLIC FOR MAKATI CITY
UNTIL 12-31-24
APPOINTMENT NO. M-[illegible] 2023 2024
IBP LIFETIME NO. 04837
PTR OR NO 9563523 01-03-24 MAKATI CITY
MCLE NO VIII-0016370 04 26 24 UNTIL 04 14-25
G/F FEDMAN SUITES, 199 SALCEDO ST.
LEGASPI VILLAGE MAKATI CITY

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SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

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Company Information

SEC Registration No.: CS201718692
Company Name: JUST SOLAR CORP.
Industry Classification: O93000
Company Type: Stock Corporation

Document Information

Document ID: OST1101920228751821
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2021
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

NEXGEN ENERGY

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of NexGen Energy Corp. (formerly Just Solar Corp.) (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at and for the years ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Renato Z. Locsin
Chairman of the Board

Eric Peter Y. Roxas
President / Chief Executive Officer

Suzanne S. Cañete
Treasurer

SUBSCRIBE AND SWORN to before me this ____ day of 08 APR 2024 in the MAKATI

Signed this 8th day of April, 2024

ATTY JOSHUA P. LAPUZ
NOTARY PUBLIC FOR MAKATI CITY
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