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SECURITIES AND EXCHANGE COMMISSION

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Head, Markets and Securities Regulation Department

via PSE EDGE

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ATTENTION : **ATTY. JOHANNE DANIEL M. NEGRE**
Head, Disclosure Department

via electronic mail

PHILIPPINE DEALING & EXCHANGE CORP.

Market Regulatory Services Group
29th Floor BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

ATTENTION : **ATTY. SUZY CLAIRE R. SELLEZA**
Head, Issuer Compliance and Disclosures Department

Gentlemen:

Attached is the SEC Form 17-A (2025 Annual Report) of Aboitiz Power Corporation for your records.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By:



RANULFO J. JAVELOSA, III
Corporate Secretary

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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RANULFO J. JAVELOSA, III

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Month Day
Fiscal Year

Annual Report				
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FORM TYPE

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April				
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Month Day
Annual Meeting

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

Amended Articles Number/Section

Total No. of Stockholders

x

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the year ended 2025
2. SEC Identification Number C199800134
3. BIR TIN 200-652-460-000
4. Exact name of registrant as specified in its charter Aboitiz Power Corporation
5. Philippines
Province, country or other jurisdiction
of incorporation
6. 
Industry Classification Code
7. Ayala Triangle Gardens Tower 2, Paseo de Roxas cor. Makati Ave., Makati City 1226 Metro Manila,
Philippines
Address of principal office 1226
Postal Code
8. (02) 8886-2600
Issuer's telephone number, including area code
9. 32nd Street, Bonifacio Global City, Taguig City
Former name or former address, if changed since last report

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

Title of Each Class

Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding

Common **7,205,854,307**

Total Debt (as of February 28, 2026) **₱337,763,980,665.80**

Fixed-Rate Peso Retail Bonds Issued by the Company:

Issue Date	Series	Amount of Issuance (‘000)	Maturity Date	Tenor
July 2017	Series A	₱3,000,000	July 2027	10 years
October 2019	Series D	₱7,250,000	October 2026	7 years
December 2021	Series C	₱7,200,000	December 2028	7 years
March 2022	Series D	₱3,000,000	March 2027	5 years
March 2022	Series E	₱7,000,000	March 2029	7 years
July 2025	Series A	₱11,300,000	July 2027	2 years
July 2025	Series B	₱9,500,000	July 2030	5 years
July 2025	Series C	₱9,200,000	July 2035	10 years

For a discussion on the Company's bond issuances, please refer to Part I Item 1 (b).

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

Yes (✓)

No ()

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange, Inc.

Common

12. Check whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code (SRC) and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11 (a)-1 thereunder, and Sections 25 and 177 of the Revised Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes (✓)

No ()

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

Yes (✓)

No ()

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

For 2025, aggregate voting stock of the registrant held outside of its affiliates and/or officers and employees totaled 3,237,996,522 shares (for details please refer to the attached notes to financial statements and Schedule H of this report). The registrant's market price per share as of December 29, 2025 was ₱44.00.

Based on this information, the total market value of the registrant's voting stock not held by its affiliates and/or officers and employees was ₱142.47 billion (bn) as of December 29, 2025.

**APPLICABLE ONLY TO REGISTRANTS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the registrant has filed all documents and reports required to be filed by Section 17 of the RSA subsequent to the distribution of securities under a plan confirmed by a court or the SEC.

Yes ()

No (✓)

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders:

- 2025 Audited Financial Statements of Aboitiz Power Corporation (with BIR ITR Filing Reference)
- 2025 Consolidated Audited Financial Statements and Supplementary Schedules
- Integrated Annual Corporate Governance Report
- Sustainability Reporting Template and 2025 Annual and Sustainability Report

(b) Any information statement filed pursuant to SRC Rule 20:

- SEC Form 20-IS (Information Statement) for the 2026 Annual Stockholders' Meeting

(c) Any prospectus filed pursuant to SRC Rule 8.1:

- None.

TABLE OF CONTENTS

PART I	BUSINESS AND GENERAL INFORMATION	
Item 1	Business	2
Item 2	Properties	71
Item 3	Legal Proceedings	74
Item 4	Submission of Matters to a Vote of Security Holders	81
PART II	OPERATIONAL AND FINANCIAL INFORMATION	
Item 5	Market for Issuer’s Common Equity and Related Stockholder Matters	82
Item 6	Management’s Discussion and Analysis or Plan of Operations	83
Item 7	Financial Statements and Supplementary Schedules	97
Item 8	Changes in and Disagreements with Accountants on Accounting and Financial Disclosures	97
PART III	CONTROL AND COMPENSATION INFORMATION	
Item 9	Directors and Executive Officers of the Issuer	99
Item 10	Executive Compensation	119
Item 11	Security Ownership of Certain Beneficial Owners and Management	121
Item 12	Certain Relationships and Related Transactions	123
PART IV	CORPORATE GOVERNANCE	
Item 13	Corporate Governance	125
PART V	EXHIBITS AND SCHEDULES	
Item 14	Exhibits	138
	Reports on SEC Form 17-C (Current Report)	138
	Sustainability Report	140
	SIGNATURES	141
ANNEX A	CORPORATE STRUCTURE	143
ANNEX B	CERTIFICATES OF COMPLIANCE	146
ANNEX C	2025 SUSTAINABILITY REPORTING TEMPLATE	153
ANNEX D	PARENT FINANCIAL STATEMENTS	190
ANNEX E	CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES	274

PART 1 – BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) Business Development

Aboitiz Power Corporation (AboitizPower or the Company) is a diversified and experienced industry leader with a strong financial position. These competitive strengths allow the Company to pursue its robust growth initiatives to meet the country's energy needs. Its mission is to provide reliable power, at a reasonable price, with the least possible adverse effects on its environment and host communities.

AboitizPower is a publicly-listed holding company. Its controlling shareholder, Aboitiz Equity Ventures Inc. (AEV), is a diversified conglomerate that is listed on the Philippine Stock Exchange, Inc. (PSE) and has interests in power, banking and financial services, food, infrastructure, and real estate. This relationship with AEV allows the Company to draw on the extensive business networks, local business knowledge, relationships and expertise of AEV and the Aboitiz Group's senior managers to identify growth opportunities at an early stage and to capitalize on such opportunities more decisively.

The power generation business of AboitizPower is the largest in the country in terms of attributable installed capacity.¹ Moreover, AboitizPower has the second and third largest distribution utilities, in terms of captive customer connections and energy sales,² while its Retail Electricity Supply (RES) business is the second largest in terms of number of Contestable Customers.³ Through its renewable energy Subsidiaries, AboitizPower has the largest installed capacity of renewable energy in the Philippines under its market control.⁴

AboitizPower was incorporated on, and has been in business since, February 13, 1998. Ownership in AboitizPower was opened to the public through an initial public offering of its common shares in the PSE on July 16, 2007.

Through its Subsidiaries and Affiliates, AboitizPower is a leader in the Philippine power industry with interests in a number of privately-owned generation companies and distribution utilities. As of March 23, 2026, AEV owns 3,825,794,642 of the outstanding capital stock of AboitizPower, 1,986,823,063 is owned by JERA Asia Pte. Ltd. (JERA Asia), while 134,132,109 is owned by directors, officers, and other related parties, and the remainder is owned by the public.

As of March 23, 2026, AboitizPower had a market capitalization of ₱308.410 bn, with a common share price of ₱42.80 per share.

AboitizPower has four strategic business segments:

- a. Power Generation, where AboitizPower is among the largest in the country in terms of overall installed capacity⁵;
- b. Power Distribution, where AboitizPower is the second largest private utility operator in terms of captive customer connections and energy sales⁶;
- c. RES, where the AboitizPower RES companies have the second highest number of customers in terms of facility count, the largest in terms of contract capacity with Contestable Customers in megawatts (MW), and the second largest total retail market share⁷; and
- d. Distributed Energy.

AboitizPower, through its Subsidiaries and Affiliates, is a leader in the Philippine power industry with a presence in the power generation, distribution, and retail electricity supply markets. The Company continues to pursue energy projects to help ensure the Philippines' energy system is secure and is able to reliably support aggregate electricity demand.

¹ Based on ERC Resolution No. 14, Series of 2025 dated July 30, 2025

² Based on DOE's Distribution Development Plan 2023-2032

³ ERC Competitive Retail Electricity Market (CREM) and Green Energy Option Program (GEOP) Monthly Statistical Data as of December 2025

⁴ Based on ERC Resolution No. 14, Series of 2025 dated July 30, 2025

⁵ Based on ERC Resolution No. 14, series of 2025 dated July 30, 2025

⁶ Based on DOE's Distribution Development Plan 2021-2030

⁷ ERC Competitive Retail Electricity Market (CREM) and Green Energy Option Program (GEOP) Monthly Statistical Data as of December 2025

AboitizPower's portfolio of power generating assets strategically consist of a mix of renewable and non-renewable power plants. AboitizPower's baseload coal and geothermal plants and intermediate and peaking hydropower, solar, and oil-based power plants enable the Company to effectively address the country's growing aggregate energy demand. Most of AboitizPower's plants are also capable of providing ancillary services, which are critical in stabilizing grid operations. AboitizPower has an installed capacity which is equivalent to 23.86% market share of the national grid's installed generating capacity⁸. As of February 28, 2026, AboitizPower, through its Subsidiaries, Affiliates, and Joint Ventures, had a total of 8,652 MW net sellable capacity, of which 5,451 MW is attributable capacity. The Company has the largest portfolio of installed renewable energy electricity capacity in the country to date,⁹ comprising geothermal, solar, and hydro facilities, as well as battery storage energy systems (BESS) technologies, with wind energy to be added in the near term. It continues to grow its portfolio of generation assets with renewables and selective baseload builds. AboitizPower's renewable investments are held primarily through its wholly-owned Subsidiary, Aboitiz Renewables, Inc. (ARI), along with ARI's Subsidiaries and Joint Ventures.

AboitizPower also owns interests in nine Distribution Utilities in Luzon, Visayas, and Mindanao, including Visayan Electric Company, Inc. (Visayan Electric) and Davao Light & Power Co., Inc. (Davao Light), the second and third largest distribution utilities in the Philippines, respectively, in terms of customer size and annual sales. AboitizPower's Subsidiaries engaged in the distribution of electricity sold a total of 9,230,848 MWh in 2025.

AboitizPower's power generation business supplies power to various customers under power supply contracts, ancillary service procurement agreements (ASPA), and for trading in the Wholesale Electricity Spot Market (WESM). The power distribution business is engaged in the distribution and sale of electricity to end-users, and the RES segment includes retail electricity sales to various off-takers that are considered eligible Contestable Customers and provision of electricity-related services, such as conducting energy audits, preventive maintenance services, and installation of digital power monitoring systems. AboitizPower's Subsidiaries engaged in the supply of retail electricity sold a total of 6.19 Terawatt hours (TWh) in 2025.

Neither AboitizPower nor any of its Subsidiaries has ever been the subject of any bankruptcy, receivership or similar proceedings.

History and Milestones

The Aboitiz Group's involvement in the power industry began when members of the Aboitiz family acquired a 20% ownership interest in Visayan Electric in the early 1900s. The Aboitiz Group's direct and active involvement in the power distribution industry can be traced to the 1930s, when Aboitiz & Company, Inc. (ACO) acquired Ormoc Electric Light Company and its accompanying ice plant, Jolo Power Company, and Cotabato Light and Power Company (Cotabato Light). In July 1946, the Aboitiz Group further strengthened its position in power distribution in the Southern Philippines when it acquired Davao Light.

In December 1978, ACO divested its ownership interests in Ormoc Electric Light Company and Jolo Power Company and focused on the more lucrative franchises held by Cotabato Light, Davao Light, and Visayan Electric.

In response to the Philippines' pressing need for adequate power supply, the Aboitiz Group ventured into power generation, becoming a pioneer and industry leader in hydroelectric energy. In 1978, the Aboitiz Group incorporated Hydro Electric Development Corporation (HEDC), which carried out feasibility studies (including hydrological and geological studies), hydroelectric power installation and maintenance, and also developed hydroelectric projects in and around Davao City. On June 26, 1990, the Aboitiz Group also incorporated Northern Mini-Hydro Corporation (now Cleanergy, Inc.), which focused on the development of mini-hydroelectric projects in Benguet province in northern Luzon. By 1990, HEDC and Cleanergy had commissioned and were operating 14 plants with a combined installed capacity of 36 MW. In 1996, the Aboitiz Group led the consortium that entered into a Build-Operate-Transfer (BOT) agreement with the National Power Corporation (NPC) to develop and operate the 70-MW Bakun AC hydroelectric plant (the Bakun AC Hydro Plant) in Ilocos Sur.

⁸ Based on ERC Resolution No. 14, Series of 2025 dated July 30, 2025

⁹ Based on ERC Resolution No. 14, Series of 2025 dated July 30, 2025

The table below sets out recent milestones in AboitizPower's business developments:

Year	Milestones
2022	<i>The SN Aboitiz Power Group signed construction and financing agreements for the Magat Battery Energy Storage Systems (BESS) project.</i>
	<i>PV Sinag Power, Inc. (PV Sinag) awarded the Engineering Procurement and Construction (EPC) contract for the construction of its 159-Megawatt peak (MWp) Laoag and Laoag 2 solar power project in Laoag, Aguilar, Pangasinan to SUMEC Complete Equipment and Engineering Co., Ltd. and Hansei Corporation.</i>
	<i>Acquired an additional 35.4% equity stake in SPI Power Incorporated (SPI; formerly STEAG State Power Inc.).</i>
	<i>Aboitiz Renewables, Inc. (ARI) entered into a Joint Venture Agreement (JVA) with Mainstream Renewable Power Philippines Holdings, B.V. (Mainstream) for a 90-MW onshore wind project in Libmanan, Camarines Sur. In January 2025, ARI and Mainstream reached an agreement for the transfer of shares in Cornerstone Energy Development Corporation (CEDI) to ARI. The closing of the agreement effectively terminates the agreements previously entered into by the parties for the development of an onshore wind project in Libmanan, Camarines Sur.</i>
2023	<i>ARI entered into a Joint Venture Agreement (JVA) with Vena Energy (Vena) for a 102-MW wind power project in Rizal and Laguna.</i>
	<i>ARI entered into a JVA with Vena and Vivant Energy Corporation (VEC) for a 206-MW wind power project in San Isidro, Northern Samar.</i>
	<i>PV Sinag Power, Inc.'s (PV Sinag) 94 MWp Cayanga-Bugallon Solar Power Project in Bugallon, Pangasinan has started providing energy to the grid.</i>
	<i>AboitizPower initiated a share buyback program in 2023.</i>
2024	<i>SN Aboitiz Power - Magat, Inc. (SN AboitizPower-Magat)'s 24-MW BESS project received a Provisional Authority to Operate (PAO) from the Energy Regulatory Commission (ERC).</i>
	<i>Signed a Share Purchase Agreement with STEAG GmbH (STEAG) for the acquisition of an additional 15.6% equity stake in SPI.</i>
	<i>Through its Subsidiary, Therma NatGas Power Inc. (TNGP), entered into an Investment Agreement with Meralco PowerGen Corporation (MGen) and acquired a 40% equity interest in Chromite Gas Holdings, Inc. (CGHI).</i>
	<i>Through AboitizPower International Pte. Ltd. (AboitizPower International), invested in Abaqa International Pte. Ltd. (Abaqa), effectively owning 40%. Abaqa is a private limited company established in Singapore and engaged in commodity trading activities. The remaining 60% is owned by Aboitiz Food Pte. Ltd.</i>
	<i>Through ARI, energized a total of 394 MW through the following projects:</i> ● 159-MWp Laoag Solar Project in Pangasinan; ● 17-MW Tiwi Binary Geothermal Power Plant in Albay; ● 45-MWp Armenia Solar Project in Tarlac; and ● 173 MWp Calatrava Solar Project in Negros Occidental.
2025	<i>On January 27, 2025, TNGP completed its co-investment transaction with MGen and San Miguel Global Power Corporation (SMGP) in South Premiere Power Corp. (SPPC), Excellent Energy Resources Inc. (EERI), and Ilijan Primeline Industrial Estate Corp. (IPEIC).</i>
	<i>The transaction involves:</i> (1) CGHI's acquisition of a 67% equity interest in SPPC, EERI, and IPEIC, and (2) CGHI and SMGP's joint acquisition of approximately 100% of Linseed Field Corporation (LFC), which operates the Liquefied Natural Gas (LNG) terminal in Batangas City.
	<i>As a result of these acquisitions, MGen and TNGP, through their 60-40 stakes in CGHI (respectively), own 67% of SPPC, EERI, and IPEIC, while SMGP retains a 33% stake in these entities and gains a corresponding interest in LFC.</i>
	<i>The Securities and Exchange Commission (SEC) approved the shortening of Cebu Private Power Corporation (CPPC)'s corporate term to December 31, 2026.</i>
	<i>The Thunder Consortium, composed of ARI, Sumitomo Corporation (Sumitomo), and Electric Power Development Co., Ltd. (J-Power), acquired the 797-MW Caliraya-Botocan-Kalayaan Hydroelectric Power Plant Complex in the province of Laguna from the Power Sector Assets and Liabilities Management Corporation (PSALM). Closing occurred on the asset purchase agreement with the satisfaction of customary conditions precedent, and Philippine Competition Commission (PCC) clearance requirement, on December 19, 2025.</i>
	<i>AboitizPower transferred its headquarters from Bonifacio Global City, Taguig City to Ayala Triangle Gardens Tower 2, Paseo de Roxas cor. Makati Ave., Makati City 1226 Metro Manila</i>

Year	Milestones
	<i>Subject to closing conditions, AboitizPower will acquire a 25% stake in Van Phong Power Company Limited (VCPL) from Sumitomo Corporation. VCPL owns an operational 1,320 MW high-efficiency, low-emission (HELE) coal-fired power plant in Khánh Hòa Province, Vietnam.</i> <i>The Van Phong power plant, which commenced commercial operations in January 2024, operates under a 25-year power purchase agreement with Vietnam's national utility, Vietnam Electricity (EVN). Van Phong 1 Coal-Fired Power Plant is designed to supply about 8.5 billion kWh per year to Vietnam's national grid, equivalent to around 4% of Vietnam's annual gross power generation. This is the largest foreign-invested project in the Van Phong Special Economic Zone in the Khánh Hòa province.</i> <i>The 12.400 MW Diesel Generator Unit 1 of East Asia Utilities Corporation (EAUC) was decommissioned. The other three generating units of EAUC remain unaffected by the decommissioning activity.</i> <i>Therma Marine, Inc. (TMI) broke ground on a 48-MW hybrid energy storage system to be integrated into its oil-fired power plant in Nasipit, Agusan del Norte. The hybrid energy storage system is expected to come online in 2026.</i> <i>In February 2025, Therma Power-Visayas, Inc. (TPVI) received a Letter of Confirmation from the Department of Energy (DOE) for the decommissioning of its 44.640 MW Naga Oil-Fired Power Plant and 0.440 MW Black Start Diesel Engine Generating Unit located at the Naga Power Plant Complex in Barangay Colon, Naga City, Cebu, effective March 31, 2025. The decommissioning was pursued in view of the technical and operational issues of the plant caused mainly by the advanced age of the diesel engines. On March 31, 2025, the TPVI facilities were then completely isolated and disconnected from the grid.</i> <i>ARI reached an agreement with Mainstream for the transfer of Mainstream's share in CEDI through a Share Purchase Agreement, in favor of ARI.</i> <i>ARI exercised its call option under the Call Option Agreement with Ignis Philippines Development, Inc. (Ignis) for the acquisition of 100% of Ignis' shares in Ubay Solar Corp. (Ubay Solar), resulting in ARI's 100% equity interest in Ubay Solar.</i>

AboitizPower is in the distributed energy resource business through AboitizPower Distributed Energy, Inc. (APX1) and AboitizPower Distributed Renewables, Inc. (APX2). The Company is also expanding its renewable energy portfolio consisting of geothermal, run-of-river hydro, large hydropower, solar facilities, and battery energy storage systems, under its Cleanergy brand.

As of February 28, 2026, AboitizPower had 1,775 MW of attributable net sellable renewable energy capacity, through its partners, under its Cleanergy brand. The Company is pushing for a balanced mix strategy – maximizing Cleanergy while taking advantage of the reliability and cost efficiency of thermal power plants.

Neither AboitizPower nor any of its Subsidiaries has been the subject of any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

(2) Business of Registrant

With investments in power generation, retail electricity supply, and power distribution throughout the Philippines, AboitizPower is considered one of the leading Filipino-owned companies in the power industry. Based on SEC's parameters of what constitutes a significant Subsidiary under Item XX of Annex B (SRC Rule 12), the following are AboitizPower's significant Subsidiaries at present: ARI and its Subsidiaries, and TPI and its Subsidiaries. (Please see **Annex "A"** hereof for AboitizPower's corporate structure.)

(a) Description of Registrant

(i) Principal Products

GENERATION OF ELECTRICITY

AboitizPower's portfolio includes interests in both coal and non-coal generation plants. As of December 31, 2025, the earnings contribution of the coal and non-coal operating business segments accounted for 42% and 41%, respectively. AboitizPower conducts its power generation activities through Subsidiary and Affiliate Generation Companies.

The table below summarizes the Generation Subsidiaries' operating results as of December 31, 2025, compared to the same periods in 2024 and 2023:

Generation Companies	Energy Sold			Revenue		
	2025	2024	2023	2025	2024	2023
	(in GWh)			(in mn Pesos)		
APRI	2,731	2,706	3,206	11,568	12,683	16,754
SacaSun	86	89	82	1,038	775	724
PV Sinag ¹⁰	348	268	N/A	1,304	1,047	N/A
RERI ¹¹	760	N/A	N/A	3,413	N/A	N/A
ASPI ¹²	705	N/A	N/A	3,374	N/A	N/A
Hedcor	218	164	155	1,156	856	864
LHC	319	279	259	1,070	951	868
Hedcor Sibulan	263	251	271	1,475	1,397	1,477
Hedcor Tudaya	34	30	39	419	177	228
Hedcor Sabangan	66	51	44	735	302	262
Hedcor Bukidnon	447	353	354	3,434	2,073	2,080
TLI	6,162	5,497	6,351	29,295	28,730	40,231
TSI	2,219	2,232	1,987	12,631	13,628	13,530
TVI	2,318	2,418	2,543	12,170	14,377	15,295
Cebu Energy	1,740	1,683	1,949	9,873	10,259	12,165
SPI	1,565	1,514	1,445	7,503	7,519	8,822
GMEC	4,324	4,811	4,675	23,452	27,769	30,901
CPPC ¹³	0	0	31	0	12	660
EAUC	267	72	225	2,770	961	985
TMI	1,149	760	534	2,383	1,589	776
TMO ¹⁴	405	493	1,023	1,881	1,920	2,993
TPVI ¹⁵	48	74	12	148	653	270

Renewables

Aboitiz Renewables, Inc. (ARI)

As of February 28 2026, AboitizPower's renewable energy portfolio in operation consisted of net sellable capacity of approximately 2,395 MW, divided into 427 MW of solar, 1,637 MW of hydro, 307 MW of geothermal, and 24 MW of battery energy storage.

AboitizPower's investments and interests in various renewable energy projects, including geothermal, large hydro, run-of-river hydro, and solar projects, are held primarily through its wholly-owned Subsidiary, ARI and its Subsidiary Generation Companies. ARI was incorporated on January 19, 1995.

As of February 28, 2026, ARI has successfully energized 817 MW of its initial expansion phase, which includes developing solar, geothermal binary, wind, and energy storage plants with a cumulative net attributable

¹⁰ PV Sinag's Cayanga-Bugallon Solar Power Plant and Laoag Solar Plant have started commercial operations in July and December 2024, respectively.

¹¹ RERI's Armenia Solar Power Plant started commercial operations in March 2025.

¹² ASPI's Calatrava Solar Power Plant started commercial operations in July 2025.

¹³ CPPC has not been operating since 2023 following the transfer and sale of the plant, pursuant to a BOT scheme

¹⁴ TMO received the DOE's Letter of Confirmation on February 13, 2025 for the mothballing of two of its Bunker C-Fired Power Barges, Mobile 4 and Mobile 6.

¹⁵ TPVI released a disclosure following receipt of a notice from the NGCP confirming the disconnection of the Naga Oil-Fired Power Plant (44.640 MW) and Black Start Diesel Engine Generating Unit (0.440 MW) on April 15, 2025.

capacity of up to 1,200 MW. The growth of ARI's portfolio plays an important role in achieving AboitizPower's energy transition strategy, which aims to assist in the decarbonization of the Philippine energy market while supporting the country's economic growth.

Significant Milestones and Outlook

- SN Aboitiz Power Group's first energy storage project, the 24-MW Magat BESS, completed construction in July 2023 and concluded testing and commissioning with the grid operator in December 2023. It started commercial operations in January 2024;
- The 95 MWp Cayanga-Bugallon Solar Power Project in Bugallon, Pangasinan was energized in October 2023 and is already providing power to the grid;
- The 159 MWp Laoag Solar Project in Aguilar, Pangasinan was energized in April 2024 and commenced commercial operations in December 2024;
- The construction of the 17-MW Tiwi Binary Power Plant was completed in June 2024;
- The construction of the 58.5-MWp Camarines Sur Wind Power Project, an onshore wind project in Libmanan, Camarines Sur which won in the second Green Energy Auction in July 2023, commenced in 2025;
- The make-up well drilling campaign for APRI Makban and Tiwi geothermal facilities, with 12 make-up wells, was completed in 2025, delivering a total incremental steam contribution of 94 MW;
- The 47-MWp solar plant in Armenia, Tarlac was energized in November 2024 and commenced commercial operations in April 2025;
- The 174-MWp solar plant in Calatrava, Negros Occidental was energized in December 2024 and commenced commercial operations in July 2025;
- The 93-MWp solar plant in San Manuel, Pangasinan was fully energized in October 2025;
- The 221-MWp solar plant in Olongapo, Zambales was energized in December 2025;
- The Thunder Consortium, composed of ARI, Sumitomo, and J-Power, won the bid for the privatization of the 797-MW Caliraya-Botocan-Kalayaan Hydro Electric Power Plant Complex (CBK HEPP Complex) conducted by PSALM in July 2025, and successfully took over the asset in February 2026; and
- Construction of the following projects has started:
 - (i) the 20-MW hybrid Battery Energy Storage Facility in Bay, Laguna,
 - (ii) SN AboitizPower's 16-MW Battery Energy Storage Facility in Ramon, Isabela, and
 - (iii) SN AboitizPower's 40-MW Battery Energy Storage Facility in Itogon, Benguet.

AboitizPower, through and/or with ARI, owns equity interests in the following renewable Generation Companies, among others:

Generation Company	Percentage of Ownership	Plant Name (Location)	Type of Plant	Installed Dependable Capacity	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Offtakers
APRI	100%	Tiwi – Makban (Luzon)	Geothermal	633.400	307.000	307.000	WESM/ Bilateral
Hedcor	100%	La Trinidad, Bineng 3, Ampohaw, FLS, Labay, Lon-oy, Irian 1 and 3, and Sal-angan (Luzon)	Run-of-river hydro	52.255	52.700	52.700	FIT/Bilateral/ WESM
		Talomo 1, 2, 2A, 2B, and 3 (Mindanao)	Run-of-river hydro	4.470	4.470	4.470	Bilateral
Hedcor Bukidnon	100%	Manolo Fortich (Mindanao)	Run-of-river hydro	73.323	68.800	68.800	FIT
Hedcor Sabangan	100%	Sabangan (Luzon)	Run-of-river hydro	14.139	14.139	14.139	FIT
Hedcor Sibulan	100%	Sibulan (A, B, and Tudaya A) (Mindanao)	Run-of-river hydro	49.238	51.063	51.063	Distribution Utility
Hedcor Tudaya	100%	Tudaya 2 (Mindanao)	Run-of-river hydro	8.137	8.137	8.137	FIT
Cleanergy 9	71.20%	Caliraya-Botocan-Kalayaan (Luzon)	Impounding, Run-of-river,	788.561	788.561	504.679	WESM/RM

Generation Company	Percentage of Ownership	Plant Name (Location)	Type of Plant	Installed Dependable Capacity	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Offtakers
			and pumped storage hydro				
SacaSun	100%	SacaSun (Visayas)	Solar	46.800	46.800	46.800	FIT
PV Sinag	100%	Cayanga and Laoag (Luzon)	Solar	205.328	205.328	205.328	Bilateral/ WESM
RERI	100%	Armenia (Luzon)	Solar	37.800	37.800	37.800	Bilateral/ WESM
ASPI	100%	Calatrava (Visayas)	Solar	137.400	137.400	137.400	Bilateral/ WESM
SN Aboitiz Power-Benguet	60%*	Ambuklao (Benguet, Luzon)	Large Hydroelectric	112.500	112.600	56.300	Bilateral/ WESM/ASPA / Reserves Market (RM)
		Binga (Luzon)	Large Hydroelectric	140.000	140.000	70.000	Bilateral/ WESM/ASPA / RM
SN Aboitiz Power-Magat	60%*	Magat (Luzon)	Large Hydroelectric	388.000	388.000	194.000	Bilateral/ WESM/ASPA / RM
		Maris Main Canal 1 (Luzon)	Run-of-river hydro	8.500	8.600	4.300	FIT
		Magat BESS (Luzon)	Battery energy storage	31.200	24.000	12.000	RM
Total				2,731.051	2,395.398	1,774.961	

*The 60% equity is owned by Manila-Oslo Renewable Enterprise, Inc.

Run-of-River Hydros

In 2025, the Hedcor Group, composed of Hedcor, Inc. (Hedcor), Hedcor Sibulan, Inc. (Hedcor Sibulan), Hedcor Tudaya, Inc. (Hedcor Tudaya), Hedcor Sabangan, Inc. (Hedcor Sabangan), Hedcor Bukidnon, Inc. (Hedcor Bukidnon), and Luzon Hydro Corporation (LHC), had a total net generation of 1,235 gigawatt-hour (GWh) of Cleanergy across the Philippines. This represents a 15% increase over the 2024 net generation of 1,078 GWh. The breakdown is shown in the table below:

Generation Company	Generated Net Generation (in MWh)		% Change
	2025	2024	
Hedcor	214,862	164,463	31%
Hedcor Sabangan	65,608	51,214	28%
LHC	294,238	253,910	16%
Hedcor Bukidnon	388,355	353,189	10%
Hedcor Sibulan	238,142	224,902	6%
Hedcor Tudaya	34,230	30,059	14%

Generation Company	Generated Net Generation (in MWh)		% Change
	2025	2024	
TOTAL	1,235,435	1,077,737	15%

The 15% increase in kWh generation in 2025 is primarily attributed to favorable hydrological conditions, enhanced outage management, and headpond optimization initiatives.

The Hedcor Group manages its 22 run-of-river plants through the National Operations Control Center, inaugurated in 2022.

Luzon Hydro Corporation (LHC)

LHC, a wholly-owned Subsidiary of ARI, owns, operates, and manages the run-of-river Bakun AC Hydroelectric Power Plant with a total installed capacity of 74.80 MW located in Amilongan, Alilem, Ilocos Sur (the “Bakun AC HEPP”). LHC was incorporated on September 14, 1994.

LHC was previously ARI’s Joint Venture with Pacific Hydro Australia (Pacific Hydro), a privately-owned Australian company that specialized in developing and operating power projects that utilize renewable energy sources. On March 31, 2011, ARI, LHC, and Pacific Hydro signed a Memorandum of Agreement granting ARI full ownership over LHC. ARI assumed 100% ownership and control of LHC on May 10, 2011.

The Bakun AC HEPP was constructed and operated under the government’s BOT scheme. The energy produced by the Bakun AC HEPP, which is approximately 268 GWh annually, is delivered and taken up by National Power Corporation (NPC) pursuant to an existing Power Purchase Agreement (PPA), and dispatched to the Luzon grid through the 230-kilovolt (kV) Bauang-Bakun transmission line of the National Grid Corporation of the Philippines (NGCP). Under the terms of its PPA, all of the electricity generated by the Bakun AC HEPP will be purchased by NPC for a period of 25 years from February 2001. The PPA also requires LHC to transfer the Bakun AC HEPP to PSALM in February 2026, free from liens and without the payment of any compensation by NPC. The plant was officially turned over to PSALM on February 7, 2026.

Hedcor, Inc. (Hedcor)

Hedcor was incorporated on October 10, 1986 by ACO as Baguio-Benguet Power Development Corporation. ARI acquired ACO’s 100% ownership interest in Hedcor in 1998.

In 2005, ARI consolidated all its mini-hydroelectric generation assets into Hedcor. Hedcor owns and operates run-of-river Hydro Electric Power Plants (HEPPs) in Northern Luzon and Davao City. Hedcor’s combined installed capacity is 58.632 MW, boosted by the addition of the La Trinidad HEPP which started operations in July 2019.

The electricity generated from Hedcor’s HEPPs is sold to the Wholesale Electricity Spot Market (WESM) and to Hedcor Sibulan pursuant to PPAs with the off-takers. Irisan 1 HEPP and La Trinidad HEPP sell energy under the Feed-in-Tariff (FIT) mechanism through a Renewable Energy Payment Agreement (REPA) with the National Transmission Corporation (Transco).

Hedcor Sibulan, Inc. (Hedcor Sibulan)

Hedcor Sibulan was incorporated on December 2, 2005. It is a wholly-owned Subsidiary of ARI, which owns, operates, and manages three cascading HEPPs located in Santa Cruz, Davao del Sur. Called the Sibulan Grid, Hedcor Sibulan’s three HEPPs are composed of Sibulan A HEPP, Tudaya 1 HEPP, and Sibulan B HEPP, with a collective total installed capacity of 49.238 MW. The energy produced by the Sibulan Grid is sold to Davao Light through a Power Supply Agreement (PSA) signed in 2022.

Hedcor Tudaya, Inc. (Hedcor Tudaya)

Hedcor Tudaya was incorporated on January 17, 2011. It is a wholly-owned Subsidiary of ARI, which owns, operates, and manages the Tudaya 2 HEPP located in Santa Cruz, Davao del Sur, with an installed capacity of 8.137 MW.

The Tudaya 2 HEPP has been commercially operating since April 2014. Currently, the facility sells energy under the FIT mechanism through a REPA with Transco, following the commencement of commercial operations of the Wholesale Electricity Spot Market (WESM) in Mindanao in January 2023.

Hedcor Sabangan, Inc. (Hedcor Sabangan)

Hedcor Sabangan was incorporated on January 17, 2011. It is a wholly-owned Subsidiary of ARI, which owns, operates, and manages the Sabangan HEPP, with an installed capacity of 14.139 MW.

The Sabangan HEPP has been commercially operating since June 2015, and is selling under the FIT mechanism through a REPA with Transco. The facility is considered as a pioneering hydropower plant in the Mountain Province region, harnessing the power of the Chico River.

Hedcor Bukidnon, Inc. (Hedcor Bukidnon)

Hedcor Bukidnon was incorporated on January 17, 2011. It is a wholly-owned Subsidiary of ARI, which owns, operates, and manages hydropower plants located in Manolo Fortich, Bukidnon (the “Manolo Fortich HEPP”). The Manolo Fortich HEPP has a combined installed capacity of 73.323 MW.

The Manolo Fortich HEPP is composed of the 45.936 MW Manolo Fortich 1 HEPP and the 27.387 MW Manolo Fortich 2 HEPP. Both plants harness the power of the Tanaon, Amusig, and Guihean rivers.

The Manolo Fortich HEPP sells under the FIT mechanism through a REPA with Transco. This arrangement followed the commencement of WESM commercial operations in Mindanao in January 2023.

Large Hydros

SN Aboitiz Power-Magat, Inc. (SN Aboitiz Power-Magat)

SN Aboitiz Power-Magat is ARI’s Joint Venture with Scatec Philippines Inc. (Scatec Philippines; formerly SN Power Philippines Inc.), a leading Norwegian hydropower company with projects and operations in Asia, Africa, and Latin America. In October 2020, Norway-based Scatec ASA (Scatec) signed a binding agreement to acquire 100% of the shares in Scatec Philippines from the Norwegian Investment Fund for Developing Countries (Norfund) for a total equity value of US\$ 1,166 mn. As of February 28, 2026, SN Aboitiz Power-Magat was 60% owned by MORE, while Scatec, through Scatec Philippines, owned the remaining 40% equity interest.

Incorporated on November 29, 2005, SN Aboitiz Power-Magat owns and operates the Magat Plant with a nameplate capacity of 360 MW located at the border of Ramon, Province of Isabela and Alfonso Lista, Ifugao Province (the Magat Plant), the 8.5-MW run-of-river Maris Main Canal 1 HEPP (the “Maris Plant”), and the 24-MW Magat Battery Energy Storage System (the “Magat BESS”) facility located in Ramon, Isabela. The Maris Plant, which is composed of two generator units with a nameplate capacity of 4.25 MW each, was completed in November 2017. The plant was granted entitlement to the FIT system in its operations pursuant to the Certificate of Compliance (COC) issued by ERC in November 2017.

The Magat BESS is an energy storage system designed to provide ancillary services to the grid. Construction started in August 2022 and was completed within the first half of 2023. The Magat BESS received a PAO from the ERC and began commercial operation in the Reserve Market for ancillary services in January 2024. The addition of BESS supports the influx of variable renewable energy sources by helping to regulate the increasing frequency variability in the grid.

The Magat Plant was completed in 1983 and was turned over to SN Aboitiz Power-Magat in April 2007 after it won the bidding process conducted by PSALM. As a hydroelectric facility that can be started up in a short period of time, the Magat Plant is suited to act as a peaking plant with the capability to capture the significant upside potential that can arise during periods of high demand. This flexibility allows for the generation and sale of electricity at the peak demand hours of the day. This hydroelectric asset has minimal marginal costs, which Aboitiz Power believes gives it a competitive advantage in terms of economic dispatch order versus other fossil fuel-fired power plants that have significant marginal costs.

On April 25, 2019, ERC certified the Magat Plant's new Maximum Stable Load (Pmax) at 388 MW. The Magat Plant's Units 1-4 were uprated by 2 MW each, or from 95 MW to 97 MW per unit. This means that the Magat Plant is capable of producing, under normal to best conditions, up to 388 MW as compared to its nameplate capacity of 360 MW. The new Pmax of the four units was based on the capability test conducted by the NGCP sometime in 2018.

SN Aboitiz Power-Magat is an accredited provider of ancillary services to the Luzon grid. It sells a significant portion of its available capacity to NGCP, the system operator of the Luzon grid. SN Aboitiz Power-Magat's remaining capacity is sold as electric energy to the spot market through WESM and to load customers through bilateral contracts.

The Magat Plant's recorded total sold quantities from spot energy generation and ancillary services (AS) in 2025 of 3.19 TWh, an increase from 2.8 TWh in 2024. This corresponds to a sold capacity factor of 94%, compared to 82% in 2024. Spot and AS revenue in 2025 was ₱9.01 bn, 41% higher than ₱6.38 bn in 2024. SN Aboitiz Power-Magat recorded a ₱1.69 bn net gain from its Bilateral Contract Quantity (BCQ) position in 2025, higher than the ₱1.38 bn in 2024. This improvement was primarily driven by higher generation levels and reduced spot market purchases in 2025 compared to 2024.

On August 14, 2025, the DOE issued a Green Energy Option Program (GEOP) Operating Permit to SN Aboitiz Power-Magat, which authorizes the company to enter into electricity supply contracts with qualified end-users under the GEOP, in accordance with Republic Act (R.A.) No. 9513 or the Renewable Energy Act of 2008 (the "RE Law"). Additionally, SN Aboitiz Power-Magat also has a RES license valid until December 15, 2030.

In 2025, SN Aboitiz Power-Magat was awarded a bid under the DOE's Green Energy Auction Program 4 (GEA 4) for its Magat Floating Photovoltaic (FPV) project, marking a significant milestone in the company's renewable energy expansion efforts. The Magat FPV will have a capacity of 50 Megawatt Alternating Current (MWac) and will be developed on the surface of the Magat reservoir in Isabela.

SN Aboitiz Power-Magat retained its Integrated Management System certifications for ISO 14001 for Environmental Management System, ISO 9001 for Quality Management System, ISO 45001 for Occupational Health and Safety Management Systems, and ISO 55001 Asset Management System, as recertified and audited by DQS Philippines in 2025.

SN Aboitiz Power-Benguet, Inc. (SN Aboitiz Power-Benguet)

SN Aboitiz Power-Benguet is the owner and operator of the Ambuklao-Binga Hydroelectric Power Complex, which consists of the 112.5-MW Ambuklao HEPP (the "Ambuklao Plant") and the 140-MW Binga HEPP (the "Binga Plant"), located in Brgy. Tinongdan, Itogon, Benguet Province. The company was incorporated on March 12, 2007. As of February 28, 2026, MORE owned 60% equity interest, while Scatec Philippines owned the remaining 40%.

The Ambuklao-Binga hydroelectric power complex was turned over to SN Aboitiz Power-Benguet in July 2008. The Ambuklao Plant underwent rehabilitation, increasing its capacity from 75 MW to 105 MW, and re-commenced operations in 2011. It was further uprated to 112.5 MW in 2022. The Binga Plant also underwent refurbishment from 2010 to 2013, which initially increased capacity to 125 MW. In March 2017, SN Aboitiz Power-Benguet received its amended COC from ERC, reflecting the Binga Plant's latest uprating to 140 MW for all four units. Both the Ambuklao and Binga Plants sell power to the national transmission system and related facilities.

The Ambuklao Plant's total sold capacity from spot energy generation and ancillary services increased to 942 GWh in 2025, an improvement from 741 GWh in 2024. This raised the total sold capacity factor to 96% in 2025, from 75% the previous year. The Binga Plant's total sold capacity from spot energy generation and AS also rose to 1.1 TWh in 2025, or 107% of the 1.1 TWh sold in 2024, with its capacity factor improving to 96% in 2025, from 90% the previous year.

The resulting combined spot and AS revenue of the Ambuklao and Binga Plants for 2025 was ₱6.35 bn, compared to ₱5.27 bn in 2024. SN Aboitiz Power-Benguet's BCQ net gain for 2025 was ₱0.57 bn, marking a significant increase compared to the ₱0.20 bn in 2024. This positive result was primarily driven by higher generation and lower purchases from the spot market during 2025 compared to 2024.

Both the Ambuklao and Binga Plants have retained their Integrated Management System certifications (ISO 14001 Environmental Management System, ISO 9001 Quality Management System, and ISO 55001 for Asset Management). The company also successfully migrated and was certified as ISO 45001 Occupational Health & Safety Management System from OHSAS 18001.

Cleanergy 9 Power Inc. (Cleanergy 9)

Cleanergy 9 is the special purpose project company established to undertake the acquisition of the CBK HEPP Complex in Laguna with a net contracted capacity of 796.65 MW. It was incorporated on March 1, 2024. As of February 28, 2026, Cleanergy 9 is owned 71.18% by ARI, 28% by Sumitomo Corporation, and 0.80% by Electric Power Development Co., Ltd. (J-Power).

Geothermal

AP Renewables, Inc. (APRI)

APRI, a wholly-owned Subsidiary of ARI, is one of the leading geothermal power companies in the country. It owns the 220.8-MW Tiwi Geothermal Power Plant in Albay and the 339.8-MW Makiling-Banahaw Geothermal Power Plant in Laguna and Batangas (the Tiwi-MakBan Geothermal Plants). These geothermal plants were acquired by APRI from PSALM in July 2008 and were formally turned over to APRI on May 25, 2009.

The Tiwi-MakBan Geothermal Plants consistently deliver clean, cost-effective, efficiently operated energy, in line with the company's commitment to environment sustainability.

On August 24, 2018, APRI and Philippine Geothermal Production Company, Inc. (PGPC) entered into a Geothermal Resources Supply and Services Agreement (GRSSA) for the supply of steam and the drilling of new production wells for the Tiwi-MakBan Geothermal Plants. The term of the agreement extends until October 22, 2034, coinciding with the expiration of APRI's DOE operating contract and ensuring the long-term operations of the facilities. Under the GRSSA, PGPC has committed to drill at least 12 new production wells with a minimum aggregated individual well capacity of 50 MW. The drilling campaign was completed in 2023. The GRSSA also provides for more equitable and competitive fuel pricing for APRI.

On May 20, 2022, the DOE issued the Certificate of Confirmation of Commerciality and a Certificate of Additional Investment, confirming the commercial viability of APRI's 17-MW Tiwi Binary Geothermal Power Plant Project (Tiwi Binary), and authorizing the company to undertake construction and operation. The groundbreaking ceremony was held on January 17, 2023, and the project was completed in June 2024.

In October 2024, APRI commenced the construction of the 20-MW Bay Battery Energy Storage System (the "Bay BESS") Project. The Bay BESS Project aims to provide additional generating capacity to the existing Makban Plant A. Battery Energy Storage Systems play a crucial role in supporting the country's energy transition. This project underscores APRI's commitment to advanced energy storage solutions that enhance the integration of renewable energy sources into the national grid.

Solar

Maaraw San Carlos Holdings, Inc. (Maaraw San Carlos) and San Carlos Sun Power Inc. (SacaSun)

SacaSun owns and operates the 59.981 MWp solar photovoltaic (PV) power generation plant located in the San Carlos Ecozone, Barangay Punao, San Carlos City, Negros Occidental (the "SacaSun Plant").

SacaSun was incorporated on July 25, 2014, initially as a Joint Venture between ARI and SunEdison Philippines Helios BV (SunEdison Philippines). The SacaSun Solar Power Plant commenced commercial operations in March 2016. On December 4, 2017, AboitizPower acquired 100% effective equity ownership of SacaSun.

Maaraw San Carlos is the holding company of SacaSun. It was incorporated on April 24, 2015, and is 100% effectively owned by AboitizPower through its wholly-owned Subsidiary, ARI.

Aboitiz Solar Power, Inc. (ASPI)

ASPI was incorporated on May 29, 2012, and is a wholly-owned Subsidiary of ARI. ASPI owns and operates the 168.953-MWp solar PV power generation plant located in Barangay San Isidro, Calatrava, Negros Occidental (the "Calatrava Solar Power Plant").

The Calatrava Solar Power Plant was energized in December 2024.

RE Resources, Inc. (RERI)

RERI was incorporated on April 23, 2014, and is a wholly-owned Subsidiary of ARI. RERI owns and operates the 46.658-MWp solar PV power generation plant located in Tarlac City, Tarlac (the "Armenia Solar Power Plant"), which was energized in November 2024, and started commercial operations in April 2025.

RERI is also the project company for the construction of the 92.454-MWp solar PV power generation plant located in San Manuel, Pangasinan (the "San Manuel Solar Power Plant"), which started construction in October 2025.

AP Renewable Energy Corporation (APREC)

APREC was incorporated on May 19, 2015, and is a wholly-owned Subsidiary of ARI. APREC is the project company for the construction of the 221.082-MWp solar PV power generation plant located in Olongapo City, Zambales (the "Olongapo Solar Power Plant").

The Olongapo Solar Power Plant started construction in the first quarter of 2024 and was energized in December 2025.

PV Sinag Power, Inc. (PV Sinag) (Formerly: Hedcor Ifugao, Inc.)

PV Sinag was incorporated on October 1, 2013, and is a wholly-owned Subsidiary of ARI. PV Sinag owns and operates the 94.717-MWp solar PV power generation plant located in Barangay Cayanga, Bugallon, Pangasinan (the "Cayanga-Bugallon Solar Power Plant"), as well as the 159.032 MWp solar PV power generation plant located in Barangay Laoag, Aguilar, Pangasinan (the "Laoag Solar Power Plant").

The Cayanga-Bugallon Solar Power Plant was completed in October 2023 and started commercial operations in July 2024. Meanwhile, the Laoag Solar Power Plant was completed in April 2024, and commenced commercial operations in December 2024.

Ubay Solar Corp. (Ubay Solar)

Ubay Solar is developing a greenfield solar project in the Municipality of Ubay, Province of Bohol. On January 10, 2025, ARI signed a Call Option Agreement with Ignis Philippines Development, Inc. (Ignis) which granted ARI the option to acquire either 90% or 100% of Ubay Solar. On December 12, 2025, ARI exercised its call option under the Call Option Agreement for the acquisition of 100% of Ignis' shares in Ubay Solar.

Ubay Solar was incorporated on March 17, 2022 and is a wholly-owned Subsidiary of ARI.

Aboitiz Power Distributed Energy, Inc. (APX1) and Aboitiz Power Distributed Renewables Inc. (APX2)

APX1 and APX2 (collectively, "APX") are engaged in the business of operating rooftop PV solar systems in the distributed energy space. APX1 and APX2 are wholly-owned Subsidiaries of AboitizPower through ARI. APX1 and APX2 were incorporated in November 2016 and May 2002, respectively.

APX1 is a registered Philippine Economic Zone Authority (PEZA) company intended to serve customers operating within PEZA zones.

As of February 28, 2025, APX had approximately 5.5 MWp of completed rooftop solar projects.

Advent Upgrade Solar, Inc. (AUSI) (Formerly: Aboitiz Upgrade Solar, Inc.)

AUSI was incorporated on February 8, 2024 as a joint venture between APX2 and Upgrade Energy Philippines, Inc. (UGEP) for the development and operations of rooftop or ground-mounted solar systems. APX2 and UGEP each own 50% of AUSI.

As of February 28, 2026, AUSI had approximately 34.511 MWp of completed solar projects.

Wind

Cornerstone Energy Development, Inc. (CEDI)

CEDI was incorporated on January 19, 2011 and was originally established as a joint venture company between ARI and Mainstream.

On October 13, 2022, ARI entered into a JVA with Mainstream for the development of a 58.5 MWp onshore wind project in Libmanan, Camarines Sur (the "Camarines Sur Wind Power Project"). Under the JVA, AboitizPower, through ARI, owned 60% equity interest in CEDI, while Mainstream owned the remaining 40%.

Construction of the Camarines Sur Wind Power Project started in February 2025.

On January 10, 2025, ARI reached an agreement with Mainstream for the transfer of the latter's shares in CEDI to ARI pursuant to a Share Purchase Agreement. The completion of the transaction resulted in ARI's ownership of 100% of the issued and outstanding stock of CEDI, and terminated the prior agreements between ARI and Mainstream relating to the joint development of the Camarines Sur Wind Power Project.

As of February 28, 2026, ARI owns 100% of CEDI.

4 Barracuda Energy Corporation (4 Barracuda)

On August 3, 2023, ARI entered into a JVA with Vena Energy, a Singapore-based company, to invest in Vena Energy's greenfield 102-MW Wind Power Project in Rizal and Laguna.

4 Barracuda was incorporated on January 24, 2017 and is a joint venture between ARI and 7 Balboa Energy Holdings Inc. (7 Balboa). As of February 28, 2026, AboitizPower, through ARI, owns 41% interest in 4 Barracuda while 7 Balboa owns the remaining 59%.

Aura Energy Holdings, Inc.

On September 27, 2023, ARI entered into a JVA with Vena Energy and Vivant Energy Corporation (VEC) to develop, construct, and operate the 206-MW San Isidro Wind Power Project in San Isidro, Northern Samar, Visayas.

Aura Energy was incorporated on August 12, 2022 as a Joint Venture between ARI and 7 Balboa. As of February 28, 2026, AboitizPower, through ARI, and 7 Balboa each own 50% interest in Aura Energy.

Renewables Pipeline

SN Aboitiz Power-Ifugao, Inc. (SN Aboitiz Power-Ifugao)

SN Aboitiz Power-Ifugao develops and executes pertinent activities for the proposed 120-MW Alimit HEPP and the 20-MW Olilicon HEPP. In 2025, SN Aboitiz Power-Ifugao continued its development efforts for both projects.

Following a Memorandum of Understanding with the National Irrigation Administration (NIA) in September 2023, the SN Aboitiz Power Group and NIA have continued to study the feasibility of the Alimit HEPP as a multipurpose facility, which includes introducing an irrigation component to the already completed power component feasibility study. The potential multipurpose facility is intended to contribute to energy security, food security, and provide flood control benefits. SN Aboitiz Power-Ifugao continues to evaluate its development strategy for these projects under a multipurpose scheme.

SN Aboitiz Power-Ifugao was incorporated on January 14, 2009. As of February 28, 2026, 60% equity interest in the company was owned by MORE, with the remaining 40% owned by Scatec Philippines.

Other Renewable Energy Ventures

1882 Energy Ventures Incorporated (1882 Energy Ventures)

1882 Energy Ventures is committed to transforming energy for a better world by decentralizing energy. The company invests in venture companies and builds and scales start-ups that drive sustainable solutions in homes, businesses, mobility, and networks.

The venture companies under its portfolio include: Solviva Energy Incorporated (Solviva Energy), a rooftop solar provider; AP Electric Mobility, Inc. (APEMI), an electric vehicle (EV) and battery solutions provider; and Powerhouse Innovations Inc. (Powerhouse), a technology company facilitating consumer choice for end-users of electricity.

1882 Energy Ventures was incorporated on October 11, 2023. As of February 28, 2026, it is a wholly-owned Subsidiary of AboitizPower.

Solviva Energy Incorporated (Solviva Energy)

Solviva Energy was incorporated on September 1, 2023 as a rooftop solar power provider for residences and small and medium enterprises (SMEs), with the mission to make solar energy more accessible while providing a seamless customer experience. By focusing on high-quality equipment, solar expertise, and after-sales customer support, Solviva Energy enables homeowners to lower electricity bills and gain energy independence. The company aims to scale residential solar adoption across the Philippines, empowering households with reliable and affordable clean energy.

As of February 28, 2026, Solviva Energy is a wholly-owned Subsidiary of 1882 Energy Ventures.

AP Electric Mobility Inc. (APEMI)

APEMI was incorporated on January 15, 2024, and is engaged in the operation and provision of integrated e-mobility infrastructure and platform solutions for the Business-to-Business (B2B) segment, under the Voltai brand. The company specializes in the deployment of electric 2-wheeler (E2W) ecosystems, encompassing charging networks, automated battery swapping stations, and intelligent fleet management systems. Its operational framework includes Infrastructure-as-a-Service (IaaS) and Battery-as-a-Service (BaaS) models. APEMI is currently a wholly-owned Subsidiary of 1882 Energy Ventures.

As of February 28, 2026, APEMI is a wholly-owned Subsidiary of 1882 Energy Ventures.

Powerhouse Innovations Inc. (Powerhouse)

Powerhouse was incorporated on October 23, 2025, and operates as a technology company engaged in developing, operating, and maintaining industry and market software solutions for the full implementation of energy deregulation, by facilitating consumer choice for all electricity end-users. Powerhouse also provides technology-enabled products and services such as process automation and data analytics for retail utility providers to enable their capability to serve the mass market.

As of February 28, 2026, Powerhouse is a wholly-owned Subsidiary of 1882 Energy Ventures.

Thermal Energy

Therma Power, Inc. (TPI)

AboitizPower's investments and interests in thermal energy projects are held primarily through its wholly-owned Subsidiary, TPI, and its Subsidiary power generation companies. TPI was incorporated on October 26, 2007. As of February 28, 2026, AboitizPower, by itself, through and/or with TPI, owned equity interests in the following:

Generation Company	Percentage Ownership	Plant Name (Location)	Project Type	Installed Capacity ¹ ₆	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Off-takers
Coal Fleet							
TLI	100%	Pagbilao (Luzon)	Coal-fired	751.4	735	735	Bilaterals/WESM/ASPA/RM
PEC	50%	Pagbilao 3 (Luzon)	Coal-fired	437.75	393	196.5	Bilaterals/WESM/RM
TSI	100%	TSI Plant (Mindanao)	Coal-fired	301.40	272.6	272.6	Bilaterals/WESM
TVI	80%	TVI Plant (Visayas)	CFB	338	300	240	Bilaterals/WESM/ASP A/ RM
CEDC	26.4%	Cebu Energy (Visayas)	CFB	249.72	216	57	Bilaterals/WESM
GMEC	78.32%	Mariveles Project (Luzon)	Coal-fired	632	632	495	Bilaterals/WESM/ASPA
GNPD	70.00%	GN Power Dinginin Ltd. Co. (Luzon)	Coal-fired	1,336	1,336	935.2	Bilaterals/WESM/ASPA
SPI	85%	Mindanao Coal-Fired Power Plant/SPI Power Plant (Mindanao)	Coal-fired	232	210	178.5	NPC/PSALM (2031)/Bilaterals
Oil Fleet							
EAUC	100%	EAUC Plant (Visayas)	Bunker-C fired	44.50	32.5	32.5	WESM/RM

¹⁶ Based on ERC Resolution No. 07, series of 2025, dated March 13, 2025.

Generation Company	Percentage Ownership	Plant Name (Location)	Project Type	Installed Capacity ¹ ₆	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Off-takers
Southern Philippines ¹⁷ **	20%	Southern Philippines Plant (General Santos)	Bunker-C fired	55	55	11	N/A
TMI	100%	Power Barge Mobile 1 (Mindanao)	Barge-mounted	100	98	98	WESM/ASPA/PSA
		Power Barge Mobile 2 (Mindanao)	Barge-mounted	100	98	98	WESM/ASPA/PSA
		BESS (Mindanao)	Hybrid BESS	49	49	49	ASPA
TMO	100%	Power Barges Mobile 3-6 (Luzon)	Barge-mounted	116	106.9	106.9	WESM/ASPA/RM
WMPC**	20%	WMPC Plant (Mindanao)	Bunker-C fired	101.77	100	20	Bilaterals/WESM/ASPA
Cotabato Light**	99.94%	Bunker Cotabato (Mindanao)	Bunker-C fired	9.641	4.45	4.45	Distribution Utility
Total				4,854.18	4,638.45	3,529.65*	

Notes:

* Sum figures will differ due to rounding effect

** Directly owned by AboitizPower

Oil Fleet

Therma Marine, Inc. (TMI)

TMI, a wholly-owned Subsidiary of TPI, owns and operates two 100 MW oil-fired power barges in Barangay San Roque, Maco, Davao De Oro (Mobile 1) and Barangay Sta. Ana, Nasipit, Agusan del Norte (Mobile 2). Both Mobile 1 and 2 were constructed in 1994 and have been under the ownership of TMI since February 2010 and March 2010, respectively. The company was incorporated on November 12, 2008.

On November 28, 2022, TMI commercially launched the first ever barge-mounted hybrid BESS in the Philippines co-located at TMI Mobile 1 in Barangay San Roque, Maco, Davao De Oro. The BESS project was a strategic response to critical concerns about energy reliability, affordability, and sustainability.

Therma Mobile, Inc. (TMO)

TMO operates four barge-mounted power plants located at the Navotas Fish Port Complex, Navotas City, which it acquired on May 27, 2011. As of February 28, 2025, the barge-mounted power plants have a net sellable capacity of 106.9 MW.

Effective February 14, 2025, two of TMO's Bunker C-Fired Power Barges – Mobile 4 and Mobile 6 – have undergone mothballing, with a target return to service date of February 1, 2027. This mothballing is covered by the appropriate Letter of Confirmation issued by the DOE, which followed TMO's filing of a letter of intent to mothball the said barges due to technical and commercial challenges that prevent or hamper their full utilization and continued safe and efficient operation. Meanwhile, TMO's generation activities will continue through its two other Bunker C-Fired power barges, Mobile 3 and Mobile 5, whose operations will not be affected by said mothballing.

TMO was incorporated on October 20, 2008 and is a wholly-owned Subsidiary of TPI.

¹⁷ Southern Philippines has been on asset preservation status since July 2018.

East Asia Utilities Corporation (EAUC)

EAUC, a wholly-owned Subsidiary of TPI, was incorporated on February 18, 1993 and began full commercial operations on May 25, 1998.

EAUC, owns, operates, and maintains a Bunker-C fired power plant with a rated capacity of 32.5 MW located in Mactan Economic Processing Zone (MEPZ 1), Lapu-Lapu City, Cebu. EAUC serves its capacity to MEPZ 1 and the WESM, both for the spot market and reserves market. Previously, the facility had a total rated capacity of 49.6 MW. However, effective last August 26, 2025, EAUC decommissioned one of its diesel generators upon the approval of the DOE, which brought down its plant capacity to 32.5MW.

Therma Power Visayas, Inc. (TPVI)

TPVI, a wholly-owned Subsidiary of TPI, was awarded the winning bid for the privatization of the 25.3-hectare Naga Power Plant Complex (NPPC) located in Naga City, Cebu in 2014. The company was incorporated on October 8, 2007.

On July 16, 2018, TPVI embarked on the rehabilitation of the 44.580-MW (rated capacity) diesel plant. On August 7, 2020, TPVI commenced commercial operations and was first dispatched based on an offer into the WESM on August 26, 2020.

On February 17, 2025, the DOE approved the decommissioning of TPVI's 44.640 MW Naga Oil-Fired Power Plant (OFPP) and 0.440 MW Black Start Diesel Engine Generating Unit (BSDEGU), effective March 31, 2025. As a result, TPVI has ceased operations and deregistered from IEMOP.

Cebu Private Power Corporation (CPPC)

CPPC is a joint venture between AboitizPower and the Vivant Group. The company was incorporated on July 13, 1994. As of February 28, 2026, AboitizPower beneficially owns 60% interest in CPPC.

CPPC has not been operating since 2023 following the transfer and sale of the 70.590-MW (rated capacity) Bunker C-fired power plant located in Ermita, Cebu City, pursuant to a BOT scheme.

On July 7, 2025, the SEC approved the Company's amended Articles of Incorporation to shorten its corporate term to until December 31, 2026.

Southern Philippines Power Corporation (Southern Philippines)

Southern Philippines owns a Bunker C-fired power plant with net capacity of 55 MW located in Barangay Baluntay, Alabel, Sarangani, a municipality outside General Santos City in Southern Mindanao. Southern Philippine's 18-year Build-Operate-Own (BOO) arrangement with NPC expired on April 28, 2016.

After the expiration of its PSAs with Davao Light and Cotabato Light on April 18, 2018, Southern Philippines operated briefly until July 2018 as a replacement power for a generation facility undergoing preventive maintenance. The company has since been on asset preservation status.

Southern Philippines was incorporated on March 15, 1996. As of February 28, 2026, AboitizPower had a 20% equity interest in Philippines, a Joint Venture among AboitizPower, Alsing Power Holdings, Inc., and Tomen Power (Singapore) Pte. Ltd.

Western Mindanao Power Corporation (WMPC)

WMPC operates ten diesel-fired generating units with a total net dependable capacity of 100 MW (112 MW gross). It began commercial operations on December 12, 1997 and has been operating as a merchant plant since the expiration of its Energy Conversion Agreement in December 2015, supplying its own fuel for operations.

WMPC is the first power plant in the Philippines equipped with a desulfurization (DeSOx) facility supplied by Stork Wärtsilä to reduce sulfur emissions. The plant is located in the Zamboanga Peninsula, adjacent to the NGCP Zamboanga Substation, and occupies approximately nine hectares along the National Highway. It is supported by major systems including internal combustion engines, fuel, lubrication, cooling, compressed air, steam and exhaust gas, and electrical systems.

WMPC had a 50-MW PSA with Zamboanga City Electric Cooperative, Inc., which lasted until June 7, 2024. WMPC has been registered with the WESM as a direct member starting April 23, 2020.

NGCP awarded the ASPA to WMPC on April 18, 2023, on a firm basis, with contracted capacity consisting of 30-MW for dispatchable reserve, 15-MVAR/20-MW for reactive power support, and for black start service for the plant's certified capacity of 100 MW. On October 13, 2025, ERC granted WMPC and NGCP final authority to implement the ASPA.

WMPC is also a participant in the Reserve Market since its commercial operations began on January 26, 2024. Currently, the plant continues to provide ancillary services to the Mindanao Grid.

WMPC was incorporated on March 15, 1996. As of February 28, 2025, AboitizPower had a 20% equity interest in WMPC, a Joint Venture among AboitizPower, Alsing Power Holdings, Inc., and Tomen Power (Singapore) Pte. Ltd.

Coal Fleet

Therma Luzon, Inc. (TLI)

TLI, a wholly-owned Subsidiary of TPI, was the first IPPA in the country, and assumed the role of the registered trader of the contracted capacity of the 700-MW net (2x350 MW net contracted capacity) coal-fired power plant located in Pagbilao, Quezon (the "Pagbilao Plant"). TLI was incorporated on October 20, 2008.

As of August 15, 2025, pursuant to the terms of the IPPA Agreement and following the expiration of the relevant Energy Conversion Agreement, TLI assumed full ownership and operational control over the Pagbilao Plant. Over the years, TLI's capacity has been contracted to various electric cooperatives, private distribution utilities, directly connected customers, and to affiliate RES. TLI was granted a RES license on August 12, 2020, which was renewed on August 12, 2025 and is valid until August 11, 2030.

Pagbilao Energy Corporation (PEC)

PEC owns and operates the 420-MW Unit 3 coal-fired power plant (Pagbilao Unit 3) within the Pagbilao Power Station, located in Pagbilao, Quezon. PEC is a Joint Venture between AboitizPower and TeaM Energy, through their respective Subsidiaries, TPI and TPEC Holdings Corporation. Pagbilao Unit 3 is not covered by either TLI's IPPA agreement with PSALM or TeaM Energy's BOT contract with NPC, and commenced operations in March 2018.

Through TPI, AboitizPower has 50% equity interest in PEC, while TPEC Holdings Corporation owns the remaining 50% as of February 28, 2026.

The output of Pagbilao Unit 3 is sold to TLI and TeaM (Philippines) Energy Corporation (TPEC).

Therma South, Inc. (TSI)

TSI, a wholly-owned Subsidiary of TPI, owns and operates the 300.050-MW installed capacity (2x150.025-MW) circulating fluidized bed (CFB) coal-fired power plant located in Davao City and Sta. Cruz, Davao del Sur. TSI was incorporated on November 18, 2008. Commercial operations for Unit 1 and Unit 2 began in September 2015 and February 2016, respectively.

TSI contributes to the continuously growing power requirements of Mindanao by providing stable and cost-effective base load power. TSI supplies power to various private distribution utilities and energy cooperatives. TSI seeks to sustain the positive impact it has brought to its host communities through various educational, livelihood, and enterprise development programs, benefitting children, students, small and medium enterprise owners, and its employees.

Therma Visayas, Inc. (TVI)

TVI owns and operates the 300-MW net (2x150 MW net) CFB coal-fired power plant located in Toledo City, Cebu. Commercial operations for Unit 1 and Unit 2 began in April and August 2019, respectively. TVI supplies power to distribution utilities and also provides ancillary services.

As of February 28, 2026, AboitizPower, through TPI, effectively owns an 80% equity interest in TVI, with the remaining 20% being held by the Vivant Group.

Abovant Holdings, Inc. (Abovant) and Cebu Energy Development Corporation (Cebu Energy)

Abovant is a Joint Venture between AboitizPower and the Vivant Group, and serves as the holding company for shares in Cebu Energy. The company was incorporated on November 28, 2007.

Cebu Energy was incorporated on December 5, 2008 by Abovant and Global Formosa Power Holdings, Inc. (Global Formosa), a Joint Venture between Global Business Power Corporation and Flat World Limited. The company owns the 3x82-MW CFB coal-fired power plant situated within the Toledo Power Complex in Barangay Daanlungsod, Toledo City, Cebu. Cebu Energy declared commercial operations on February 26, 2011, and is the first commercial clean-coal facility in the country.

Cebu Energy consistently ensures delivery of the highest level of service, and actively undertakes accreditations on Quality Management System (ISO 9001:2015), Environmental Management System (ISO 14001:2015), and Occupational Health and Safety Management System (ISO 45001:2018). The company provides power to the province of Cebu and its neighboring province, Bohol.

As of February 28, 2026, Abovant had a 44% equity interest in Cebu Energy, while Global Formosa owned the remaining 56%. Consequently, AboitizPower, through TPI, held a 26.4% effective ownership interest in Cebu Energy.

Redondo Peninsula Energy, Inc. (RP Energy)

RP Energy was incorporated on May 30, 2007 to construct, own, and operate the 2x300-MW (net) coal-fired power plant located in the Redondo Peninsula of Subic Bay within the Subic Bay Freeport Zone (SBFZ), Subic, Zambales.

RP Energy was originally a Joint Venture between AboitizPower and TCIC. MGen acquired a majority interest in RP Energy by virtue of a share purchase agreement with TPI on July 22, 2011. As of February 28, 2026, AboitizPower, through TPI, and TCIC each retained a 25% stake in RP Energy.

SPI Power Incorporated (Formerly: STEAG State Power Inc.) (SPI)

Incorporated in December 19, 1995, SPI is the owner and operator of a 210 MW (net) coal-fired power plant located in PHIVIDEC Industrial Estate in Misamis Oriental, Northern Mindanao (the "SPI Power Plant"). The SPI Power Plant, consisting of two units, was built under a BOT arrangement and started commercial operations on November 15, 2006. It has a 25-year PPA with NPC backed by a Performance Undertaking issued by the Philippine government. PSALM acceded to the PPA under the Accession Undertaking.

AboitizPower acquired a majority interest in SPI from purchase of STEAG GmbH (STEAG)'s shares in SPI in two tranches in 2022 and 2024. With the completion of the sale transaction on October 16, 2024,

AboitizPower is, as of February 28, 2026, the legal and beneficial owner of an 85% equity interest in SPI. La Filipina Uy Gongco Corporation holds the remaining 15%.

On January 10, 2025, the SEC approved the change in SPI's corporate name from STEAG State Power Inc. to SPI Power Incorporated.

SPI holds valid COC from the ERC. Following the terms of the PPA, PSALM, from time to time, may require SPI's power plant units to be in economic shutdown.

AA Thermal, Inc.

On May 2, 2019, AboitizPower completed its acquisition of 49% voting stake and 60% economic stake in AA Thermal, AC Energy Infrastructure Inc.'s (formerly: AC Energy, Inc.; ACEIC) thermal platform in the Philippines.

The AA Thermal platform holds indirect limited partnership interests in each of GMEC and GNPD, where AboitizPower, through TPI, already holds direct partnership interests. The company was incorporated on September 20, 2018.

GNPower Mariveles Energy Center Ltd. Co. (GMEC)

GMEC, formerly known as GNPower Mariveles Coal Plant Ltd. Co., is a private limited partnership organized and registered with the SEC on May 13, 2007 engaged in the operation and ownership of approximately 2x345 MW (gross) coal-fired power plant (the "GMEC Facility") in Mariveles, Bataan.

The GMEC Facility is in Bataan Province, at the north entrance to Manila Bay. It is one of the lowest-cost power generation facilities in the Philippines that fully complies with the most stringent local (DENR) and international (World Bank and Equator Principles) environmental and emission standards.

The equity owners of GMEC, through themselves and/or their respective Subsidiaries, are:

- (i) TPI;
- (ii) ACEIC; and
- (iii) Power Partners Ltd. Co. ("Power Partners").

As of February 28, 2026, AboitizPower had a 78.3% effective partnership interest in GMEC.

GNPower Dinginin Ltd. Co. (GNPD)

GNPD is a private limited partnership organized and registered with the SEC on May 21, 2014. It is engaged in the operation and ownership of a 2x725 MW (gross) supercritical coal-fired power plant and a private port facility located in Mariveles, Bataan.

The equity investor consortium that owns GNPD consists of a partnership among, by themselves and/or their respective Subsidiaries: (i) TPI; (ii) ACEIC; and (iii) Power Partners.

At present, GNPD utilizes supercritical technology, which fully complies with the most stringent local (DENR) and international (World Bank and Equator Principles) environmental and emission standards.

As of February 28, 2026, AboitizPower owned a 70% effective partnership interest in GNPD.

LNG

Therma NatGas Power, Inc. (TNGP) and Chromite Gas Holdings, Inc. (CGHI)

TNGP was incorporated on March 10, 2023 and is a wholly-owned Subsidiary of TPI. TNGP owns 40% equity interests in CGHI which, in turn, owns 67% equity interests in each of SPPC, EERI, IPEIC, and LFC.

CGHI was incorporated on February 28, 2024, and is 60% owned by Meralco PowerGen Corporation (MGen), and 40% by TNGP.

Other Generation Assets

As of February 28, 2026, Cotabato Light maintained a stand-by rated capacity of 9.641-MW Bunker C-fired power plant with a dependable capacity of 4.45 MW capable of supplying approximately 9.75% of its requirements.

Future Projects

AboitizPower continues to assess the feasibility of new power generation projects focusing to address the needs of its customers by providing reliable supply, at a reasonable cost, and with minimal impact on the environment and communities. Other factors taken into consideration include the proposed project's land use requirements, access to a power grid, energy yield analysis, fuel supply arrangements, availability of water, local requirements for permits and licenses, acceptability of the project to the communities and people it will affect, ability of the project to generate electricity at a competitive cost, and the existence of potential purchasers of the electricity generated. For the development of a new power project, the Company, its partners, and its suppliers are required to obtain all national and local permits and approvals before the commencement of construction and commercial operations, including those related to the project site, construction, environment, land use planning/zoning, operations licenses, and similar approvals.

DISTRIBUTION OF ELECTRICITY

The Company, by itself and through the Aboitiz Group, has more than 85 years of experience in the Philippine power distribution sector.

With ownership interests in nine Distribution Utilities, the Company believes that it is currently one of the largest electricity distributors in the Philippines. AboitizPower's Distribution Utilities collectively supply electricity to franchise areas covering a total of 18 cities and municipalities and five economic zones across Luzon, Visayas, and Mindanao.

In 2020, the wholly-owned Distribution Utilities and Visayan Electric completed a rebranding initiative to modernize the look and feel of the brands and visually show their relation to AboitizPower.

The Distribution Utilities' earnings contribution to AboitizPower's business segments in 2025 was equivalent to 15%. The Distribution Utilities had a total customer base of 1,238,439 as of end-2025. This was 1,200,987 as of end-2024, and 1,137,402 as of end-2023.

The table below summarizes the key operating statistics of the Distribution Utilities for each of the past three years:

Company	Electricity Sold (MWh)			Peak Demand (MW)			No. of Customers		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Davao Light	3,191,258	3,009,086	2,842,932	592	537	510	515,359	494,710	482,427
Cotabato Light	247,583	228,387	203,930	47	44	38	54,101	52,380	50,499
Visayan Electric	4,033,096	3,933,149	3,515,805	693	678	615	523,484	513,491	501,080
SFELAPCO	885,175	871,159	810,311	173	177	158	139,439	134,691	130,148
Subic Enerzone	319,951	297,094	285,762	56.6	60	57	3,749	3,697	3,674
Mactan Enerzone	78,607	80,652	88,600	16.5	17	20	88	88	90
Balamban Enerzone	86,294	98,283	95,937	26.5	27	26	31	31	28
Lima Enerzone	365,896	352,093	315,178	66	65	58	1,783	1,712	1,621
Malvar Enerzone	22,988	17,025	10,234	7	6	6	405	186	49
Total	9,230,848	8,886,926	8,168,689	1,678	1,611	1,488	1,238,439	1,200,986	1,169,606

Distribution Utilities

Visayan Electric Company, Inc. (Visayan Electric)

Visayan Electric is the second largest privately-owned distribution utility in the Philippines in terms of customer size and annual MWh sales. The company supplies electricity to a region covering 674 square kilometers (sq. km.) in the island of Cebu with a population of approximately 2.2 mn. Visayan Electric has 21 power substations and one mobile substation that serve the electrical power needs of various cities, municipalities, and barangays in the island and province of Cebu.

Visayan Electric is the Aboitiz Group's first involvement in the power industry, with the acquisition by some family members of 20% ownership interest in Visayan Electric Co., S.A. in the early 1900s. Directly and through its predecessors-in-interest, the company has been in the business of distributing electricity in Cebu since 1905. In 1928, Visayan Electric Company, S.A. was granted a 50-year distribution franchise by the Philippine Legislature. On June 17, 1961, R.A. No. 3234 authorized the sale, transfer, and conveyance to Visayan Electric of the franchise and all the properties and rights granted thereunder to Visayan Electric Co., S.A. The franchise of Visayan Electric was extended for another 25 years in 1972, and subsequently renewed in September 2005 for a period of 25 years or until September 2030.

As of 2025, Visayan Electric has energized 100% of the barangays, and electrified 98.5% of all households within its franchise area. It has also completed the extension of its distribution facilities, allowing the company to serve all the customers within its franchise area. Visayan Electric's goal of 100% total electrification, including household electrification, starting with two cities where 2,267 households are set to be electrified upon release of funding from the DOE.

Visayan Electric is true to its vision of becoming a world-class electric utility by implementing innovations such as a full digital substation using IEC 61850 station and process bus for its Paknaan substation. The newest application for distribution automation, Fault Location, Isolation, and Service Restoration (FLISR) is an ongoing project to be applied to four feeders within the franchise.

Visayan Electric's Underground Distribution System (UDS) project, which began in 2013, aims to convert overhead conductors to underground cables along Cebu City's Sinulog Route with a total length of approximately five kilometers (km). As of February 28, 2026, approximately 3.60 km of which had been completed, however, the remaining works have been deferred to prioritize other major reinforcement and capacity improvement projects in the franchise area.

Visayan Electric has ongoing projects to reinforce and improve the existing capacity and reliability of its distribution system through the addition of a new substation in San Roque, Talisay, subtransmission substation upgrades in Naga and San Fernando, Cebu, and a new substation in Bajac, Liloan. This will enhance electricity service for the increasing demand of both commercial and densely residential customers within its franchise area.

Visayan Electric's total systems loss was at 6.36% as of December 2025. This included a feeder loss of 4.78%, which is below the government-mandated feeder loss cap for 2025 of 5.50%.

As of February 28, 2026, AboitizPower directly held a 55.26% equity interest in Visayan Electric, while the Vivant Group owned 34.81%.

Davao Light & Power Company, Inc. (Davao Light)

Davao Light is the third largest privately-owned electric distribution utility in the country in terms of customer size and annual kWh sales. The company was incorporated on October 11, 1929, and was acquired by the Aboitiz Group in 1946. Davao Light was originally granted a 50-year legislative franchise in 1930 to serve Davao City. This franchise was expanded through a 1976 referendum to include the municipalities of Carmen, Panabo, and Santo Tomas, and in 1998, to include the municipality of Dujali which was created from portions of Panabo and Carmen.

Davao Light's core franchise currently serves two cities and three municipalities in the Davao Region, covering an estimated population of 2.23 mn across a total area of 3,561 sq. kms.

R.A. No. 12144, which lapsed into law on April 6, 2025, authorized Davao Light to expand its service coverage to the remaining areas of Davao del Norte and the entire Davao de Oro. This expansion increased Davao Light's franchise area by an additional 6,652 sq. km serving an estimated population of 2.3 mn. On December 12, 2025, the ERC issued a provisional Certificate of Public Convenience and Necessity (CPCN), enabling Davao Light to operate and serve in the expanded areas.

Davao Light sources a significant portion of its power supply from renewable energy. Hydro power sourced from NPC-PSALM facilities and Hedcor's Sibulan plants, complemented by supply from WESM, account for approximately 48% of its total renewable energy portfolio. These diversified sources contribute to lower overall electricity rates for Davao Light's customers.

To address growing electricity demand and enhance system reliability, Davao Light implemented key sub-transmission projects in 2025. The ERA Line 2, a 25 circuit-kilometer (ckm), 138 kV sub-transmission line, was constructed to deliver the full capacity of the upgraded 2x150 MVA ERA Substation. The project supports both central and northern load centers experiencing sustained growth from high-rise residential developments, mixed-use commercial complexes, business centers, and hotels.

Complementing this, the 69 kV Davao Line 1 was extended by 4.5 ckm, significantly improving load distribution across the sub-transmission network. The project reduced technical losses, enhanced voltage performance, and strengthened overall system reliability, resulting in fewer outages during both planned and unplanned interruptions. These improvements benefit key residential and commercial growth areas in the southern and central parts of Davao City.

MobileAP, the one-stop of the AboitizPower Distribution Utilities, is accessible via mobile app and web. It enables customers to manage their electricity accounts conveniently. Enhanced features allow users to view and download detailed e-billing statements, pay bills online through multiple channels, track electricity consumption

and payment history, and receive real-time notifications on billing, payments, service advisories, and power interruptions.

Davao Light's digital transformation continues to accelerate, with approximately 345,000 accounts of 67% of its customer base now registered in electronic billing. The MobileAP app reached nearly 635,000 users in 2025, reflecting strong adoption of convenient and paperless account management solutions.

Davao Light is certified under the International Standards Organization (ISO) for: ISO 9001:2015 or the Quality Management System (QMS), ISO 45001:2018 - Occupational Health and Safety (OH&S) Management System, ISO 14001:2015 – Environmental Management (EM) System, and ISO 550001:2014 Asset Management System.

As of end-2025, Davao Light's total systems loss was at 9.41%. This included a feeder loss of 5.45%, which is below the government-mandated feeder loss cap for 2025 of 5.50%.

As of February 28, 2026, AboitizPower directly owned a 99.94% equity interest in Davao Light.

Cotabato Light and Power Company (Cotabato Light)

Cotabato Light supplies electricity to Cotabato City and portions of the municipalities of Sultan Kudarat, and Datu Odin Sinsuat, Maguindanao del Norte, with its franchise covering a land area of 191.20 sq. kms. Incorporated in April 1938, Cotabato Light's original 25-year franchise was granted by the Philippine Legislature through RA No. 3341 in June 1939. The most recent renewal of the franchise was in June 2014 for a period of 25 years, or until 2039.

Cotabato Light also maintains a standby 9.641-MW Bunker C-fired diesel power plant capable of supplying approximately 9.50% of its franchise area requirements. This plant can supply electricity in case of supply problems with its power suppliers or NGCP and can be used for voltage stability when necessary, a benefit available to Cotabato Light's customers.

Cotabato Light's total 12-month cumulative systems loss as of February 2026 was at 9.75%. This included the distribution feeder loss of 4.61%, which is below the government-mandated distribution feeder loss cap in 2025 of 5.50%. Cotabato Light is continuously innovating its strategies and processes to maintain its distribution feeder loss within 5%.

As of February 28, 2026, AboitizPower directly owned a 99.94% equity interest in Cotabato Light.

San Fernando Electric Light & Power Co., Inc. (SFELAPCO)

SFELAPCO was incorporated on May 17, 1927 and was granted a municipal franchise in 1927. The most recent renewal of its franchise was in March 2010 for a period of 25 years.

SFELAPCO's franchise covers San Fernando City, Pampanga with an area of 78.514 sq. kms. and the municipality of Floridablanca and Brgys. Talang and Ligaya in the Municipality of Guagua, Pampanga with an estimated area of 175.5 sq. kms. For 2025, SFELAPCO has a total of 336.20 MVA of substation capacity with a peak load of 173.35 MW including its 69kv customers.

SFELAPCO's total systems loss as of end-2025 was 5.17%. This included a feeder loss of 4.28%, which is below the government-mandated feeder loss cap in 2025 of 5.50%.

As of February 28, 2026, AboitizPower had an equity interest of 43.727% in SFELAPCO.

Subic Enerzone Corporation (Subic Enerzone)

On June 3, 2003, Subic Enerzone was incorporated as a Joint Venture owned by a consortium including Davao Light, AEV, and SFELAPCO, among others, to undertake the management and operation of the SBFZ power distribution utility.

As of February 28, 2026, Subic Enerzone served a total of 3,757 customers, consisting of 102 industrial locators, 1,412 commercial locators, 2,121 residential customers, 98 streetlights and 24 industrial locators under RES.

Subic Enerzone's total systems loss as of end-2025 was 4.37%. This included a feeder loss of 3.22%, which is below the government-mandated feeder loss cap of 5.50% in 2025.

As of February 28, 2026, AboitizPower owned, directly and indirectly through Davao Light, a 99.98% equity interest in Subic Enerzone.

Mactan Enerzone Corporation (Mactan Enerzone)

Mactan Enerzone was incorporated in February 2007 when AboitizLand spun off the power distribution system of its Mactan Export Processing Zone II (MEPZ II) project. The MEPZ II project, which was launched in 1995, was operated by AboitizLand under a BOT agreement with the Mactan-Cebu International Airport Authority (MCIAA).

Mactan Enerzone serves a total of 37 captive industrial locators, 26 captive commercial locators, and 11 industrial locators under Retail Competition and Open Access (RCOA), ten locators under Retail Aggregation Program (RAP), and four industrial locators under GEOP.

Mactan Enerzone's total system loss as of end-2025 was 0.96%. This included a feeder loss of 0.68%, which is below the government-mandated feeder loss cap for 2025 of 5.50%.

As of February 28, 2026, AboitizPower owned a 100% equity interest in Mactan Enerzone.

Balamban Enerzone Corporation (Balamban Enerzone)

Balamban Enerzone was incorporated in February 2007 when Cebu Industrial Park Developers, Inc. (CIPDI), a Joint Venture between AboitizLand and Tsuneishi Holdings (Cebu), Inc. (THC) spun off the power distribution system of the West Cebu Industrial Park – Special Economic Zone (WCIP-SEZ). WCIP-SEZ is a special economic zone for light and heavy industries located in Balamban, Cebu.

Balamban Enerzone serves a total of ten captive industrial customers, 15 captive commercial customers, and six contestable industrial customers under RCOA.

Balamban Enerzone's total systems loss as of end-2025 was 0.69%. This included a feeder loss of 0.27%, which is below the government-mandated feeder loss cap for 2025 of 5.50%.

As of February 28, 2026, AboitizPower directly owned a 100% equity interest in Balamban Enerzone.

Lima Enerzone Corporation (Lima Enerzone)

Lima Enerzone was incorporated as Lima Utilities Corporation on June 5, 1997 to serve and provide locators within the Lima Technology Center (LTC) with a reliable and stable power supply.

Lima Enerzone serves a total of 139 captive industrial locators, 22 captive commercial locators, 1,578 captive residential customers, five streetlights, 17 under RAP and 28 industrial locators under RCOA.

As of end-2025, Lima Enerzone's total systems loss was 3.25%. This included a feeder loss of 1.41%, which is below the government-mandated feeder loss cap for 2025 of 5.50%.

As of February 28, 2026, AboitizPower directly owned a 100% equity interest in Lima Enerzone.

Malvar Enerzone Corporation (Malvar Enerzone)

Malvar Enerzone was incorporated on June 9, 2017 to serve and provide locators within the Light Industry & Science Park IV (LISP IV) in Malvar, Batangas. Malvar Enerzone will manage the operation and maintenance of the

power distribution of LISP IV for 25 years. LISP IV has two 50-MVA transformers to provide reliable and quality power to locators, which are mostly from manufacturers and exporters.

Malvar Enerzone served a total of 18 captive industrial locators, 24 captive commercial locators, 388 captive residential customers, five street lights and two industrial locators under RES.

As of end-2025, Malvar Enerzone's total system loss was 3.56%. This included a feeder loss of 2.57%, which is below the government-mandated feeder loss cap for 2025 of 5.50%.

As of February 28, 2026, AboitizPower directly owned a 100% equity interest in Malvar Enerzone.

RETAIL ELECTRICITY AND OTHER RELATED SERVICES

One of the objectives of electricity reform in the Philippines is to ensure the competitive supply of electricity at the retail level. With the start of commercial operations of Open Access, large-scale customers are allowed to source electricity from Retail Electricity Suppliers (RES) licensed by ERC. The AboitizPower RES entities, which include Adventenergy, Inc., Adventpower Inc. (formerly Aboitiz Energy Solutions, Inc. or AESI), and Prism Energy, Inc., as well as the RES business segments of TLI and APRI, have valid RES licenses and are all registered under the Renewable Energy Market. The AboitizPower RES entities were also granted operating permits by the DOE, allowing them to participate in the GEOP.

Adventpower, Inc. (Formerly: Aboitiz Energy Solutions, Inc. (AESI); Adventpower)

Adventpower is engaged in the business of retail electricity supply and energy solutions and services. It was granted a license to act as a RES that is valid until October 28, 2028. The company was incorporated on August 11, 1998. The company name was changed to Adventpower, Inc. in 2024 to better align with Adventenergy, AboitizPower's brand for retail electricity services and innovative solutions.

In 2025, Adventpower supplied retail electricity to a total of 242 contestable customers, with an aggregate capacity of 535 MW and total energy consumption of 1,909 mn kWh. As of February 28, 2026, AboitizPower owned a 100% equity interest in Adventpower.

Adventenergy, Inc. (Adventenergy)

Adventenergy is engaged in the business of retail electricity supply and energy solutions and services. It was granted a license to act as a RES that is valid until December 17, 2028. The company was incorporated on August 14, 2008. Adventenergy is AboitizPower's brand for retail electricity services and innovative solutions.

Adventenergy differentiates itself from competition by sourcing a portion of its electricity requirements from renewable sources. As a result, an increasing number of companies are opting to source a part, if not the majority, of their electricity supply from Adventenergy as an environmental initiative. Currently, Adventenergy serves retail customers within and outside economic zones.

In 2025, Adventenergy supplied retail electricity to 251 customers with an aggregate capacity of 607 MW and total consumption of 4,225 mn kWh. With Adventenergy's participation in the GEOP, it has supplied eight qualified end-users with a total consumption of 18 mn kWh in 2025.

As of February 28, 2026, AboitizPower owned a 100% equity interest in Adventenergy.

Prism Energy, Inc. (Prism Energy)

Prism Energy was incorporated in March 2009 as a Joint Venture between AboitizPower and Vivant Corporation. It was granted a license to act as a RES valid until November 21, 2028.

Prism Energy is envisioned to serve Contestable Customers in the Visayas region. As a RES, Prism Energy provides its customers with contract options for electricity supply that is based on their operating requirements. Currently, Prism Energy does not serve any contestable customers.

As of February 28, 2026, AboitizPower directly owned a 60% equity interest in Prism Energy.

RES Business Segments

AboitizPower also serves the Retail market through the RES business segment of TLI and APRI.

TLI has a RES license valid until August 11, 2030. In 2025, it served six contestable customers with an aggregate capacity of 43 MW and total energy delivered of 522 mn kWh.

APRI has a RES license valid until February 17, 2030. In 2025, it served seven contestable customers with a capacity of 15 MW and total energy delivered of 57 mn kWh.

APRI and TLI are also registered members of the Renewable Energy Market since November 16, 2021. They were granted operating permits by the DOE, valid for five years allowing them to participate in GEOP.

SN Aboitiz Power – RES, Inc. (SN Aboitiz Power-RES)

SN Aboitiz Power-RES caters and offers energy supply and solutions tailored to the needs and preferences of customers under the Retail Competition and Open Access (RCOA) market. Starting February 2021, the RCOA market has lowered its threshold to Phase III, allowing electricity end-users with an average peak demand of at least 500kW to source their electricity requirements from their RES of choice.

SN Aboitiz Power-RES is the retail arm of the SN Aboitiz Power Group. It caters to Contestable Customers and electricity consumers using an average of at least 500 kW in the last twelve months across all industries under Open Access. It offers energy supply packages tailored to its customers' needs and preferences.

As of February 28, 2026, MORE owns a 60% equity interest in SN Aboitiz Power-RES, with the remaining 40% owned by SN Power Philippines.

Mazzaraty Energy Corporation (Mazzaraty)

Mazzaraty was incorporated on June 19, 2014 as a joint venture among Aboitiz Power, Pasudeco Development Corporation, L&R Development, Inc., and Alfecon Realty, Inc. It was granted a license to act as a RES valid until June 2028

As of February 28, 2026, AboitizPower owned 44.87% of Mazzaraty.

OFFSHORE AND OTHERS

AboitizPower International Pte. Ltd. (AboitizPower International)

Established on August 6, 2014 in Singapore, AboitizPower International is the holding company of the Company's investments abroad. AboitizPower International owns 100% of the following project companies: AP Lariang Pte. Ltd. and Cleanergy Asia Power Holdings Pte. Ltd, and 40% in Abaqa International Pte. Ltd., a joint venture company between AboitizPower International and Aboitiz Foods Pte. Ltd.

Abaqa International Pte. Ltd. (formerly: Comfez Pte. Ltd.; Abaqa)

Abaqa is a trading and central purchasing hub, specializing in strategic sourcing and distribution of essential raw materials against multiple markets. It was incorporated on October 20, 2014 and is domiciled in Singapore. Abaqa is 60% owned by Aboitiz Foods Pte. Ltd., and AboitizPower International owns the remaining 40%.

Potentia Insurance Pte. Ltd. (Potentia)

Potentia is a captive insurance company wholly-owned by AboitizPower and domiciled in Singapore. Potentia was incorporated on July 9, 2024 and it was established to support the AboitizPower Group's risk-financing

strategy by underwriting selected internal risks and reinforcing disciplined risk management across the organization.

Potentia currently participates in AboitizPower's One Master Global Industrial All Risks Insurance Program, providing insurance capacity alongside the commercial market. Through this participation, Potentia plays an active role in aligning insurance structures with the AboitizPower Group's evolving risk profile while promoting stronger risk awareness and accountability among its insured business units.

Power Plus Innovations, Inc. (Power Plus)

Power Plus is the holding company for the AboitizPower Group's investments in the energy infrastructure ancillary business. It was incorporated on May 2, 2024 and is a wholly-owned Subsidiary of AboitizPower.

Therma Cebu Energy, Inc. (Therma Cebu)

Incorporated on August 3, 2022, Therma Cebu is AboitizPower's initial venture into the fuel storage terminal sector.

On August 18, 2023, TPI entered into a Joint Venture with Sta. Cruz Storage Corporation to build and operate a fuel storage facility at the Naga Power Plant Complex in Naga City, Cebu. TPI and SCSC each own 50% of Therma Cebu. As of February 28, 2026, the fuel storage terminal project is under construction.

This project is a strategic infrastructure development aimed at enhancing the country's energy security and economic growth, particularly in the Cebu region.

(ii) Sales

The operations of AboitizPower and its Subsidiaries and Affiliates are based only in the Philippines. The Company does not derive any revenue from foreign sales.

Comparative amounts of revenue, profitability and identifiable assets are as follows:

	2025	2024	2023
Gross Income	₱198,479	₱197,492	₱207,100
Operating Income	37,506	41,195	31,785
Total Assets	₱622,798	₱517,616	₱487,203

Note: Values are in Million Pesos. Operating income is operating revenue net of operating expenses.

Comparative amounts of revenue contribution and corresponding percentages to total revenue by business group are as follows:

	2025		2024		2023	
Power Generation	118,769	52%	₱120,666	53%	₱137,376	57%
Power Distribution	62,396	27%	58,895	26%	54,856	23%
Retail Electricity Supply	42,785	19%	45,869	20%	46,123	19%
Services	3,861	2%	1,891	1%	2,339	1%
Total Revenue	227,811	100%	227,321	100%	240,694	100%
Less: Eliminations	(29,331)		(29,829)		(33,594)	
Net Revenue	198,479		₱197,492		₱207,100	

Note: Values are in Million Pesos.

The revenue streams of the businesses of AboitizPower are diversified into regulated contracts, retail supply contracts, ancillary service contracts, spot energy and reserve markets, as well as distribution wheeling contracts and collections from the Distribution Utilities' captive customers. Any generation capacity not subject to contracts with customers are sold into the spot market.

(iii) Distribution Methods of the Products or Services

Power Generation Business

The AboitizPower Generation Companies sell their capacities and energy through bilateral PSAs with private distribution utilities, electric cooperatives, RES, other large end-users, and through the WESM. There are also Subsidiaries and Affiliates selling ancillary services through ASPAs with NGCP and through the Reserves Market.

Ancillary services are critical operating reserves that are necessary to help ensure a reliable and stable grid. Following the implementation of the Co-Optimized Energy and Reserves Market in 2024, the procurement of these ancillary services co-exist with the optimization engine of the enhanced WESM. Ancillary services procured from the WESM complements the signed ASPAs between NGCP with AS-certified generators to fulfill specific ancillary service requirements per grid. Currently, SN Aboitiz Power-Magat, SN Aboitiz Power-Benguet, TMI, TMO, TLI, APRI, Cebu Energy, and WMPC have ASPAs with NGCP. In the Luzon grid, the SN Aboitiz Power Group delivers regulating, contingency, and dispatchable reserves, blackstart service, and reactive power support through its Ambuklao, Binga, and Magat Plants. TMO, on the other hand, is located at the load center in Metro Manila and serves the necessary voltage support and dispatchable reserve. In addition, TLI's Pagbilao and APRI's Makban plants deliver contingency reserves and Reactive Power Support AS, respectively. In the Visayas, AboitizPower delivers Contingency Ancillary Service through Cebu Energy. In Mindanao, TMI provides both contingency and dispatchable reserves requirements. These ASPAs follow the Competitive Selection Process (CSP) mandated by the DOE similar to the CSPs conducted by distribution utilities and electric cooperatives. DOE Department Circular No. DC 2021-10-0031 entitled *"Prescribing the Policy for the Transparent and Efficient Procurement of Ancillary Services by the System Operator"*, which took effect on October 29, 2021, details the provisions of the ASPA CSP.

In addition, the Hedcor Tudaya Hydro 2, Hedcor Irisan Hydro 1, Hedcor Sabangan, Hedcor Manolo Fortich 1 and 2, and Hedcor La Trinidad Hydro plants, all in commercial operations, have been approved for inclusion in the FIT system. Hedcor, Hedcor Tudaya, Hedcor Sabangan, and Hedcor Bukidnon, the companies that own and operate the foregoing plants, have entered into REPA with Transco, in its capacity as FIT-Allowance (FIT-All) Administrator, for the collection and payment of the FIT.

Tudaya Hydro 2, and Manolo Fortich Hydro 1 and 2 have entered into Renewable Energy Supply Agreements with their host distribution utilities or electric cooperatives.

Distribution Utilities Business

AboitizPower's Distribution Utilities have exclusive distribution franchises in the areas where they operate. Each Distribution Utility has a distribution network consisting of a widespread network of predominantly overhead lines and substations. Customers are classified according to voltage levels based on their electricity consumption and demand. Large industrial and commercial consumers receive electricity at distribution voltages of 13.8 kV, 23 kV, 34.5 kV, and 69 kV, while smaller industrial, commercial, and residential customers receive electricity at 240 volt (V) or 480 V.

With the exception of Malvar Enerzone, all of AboitizPower's Distribution Utilities have entered into transmission service contracts with NGCP for the use of NGCP's transmission facilities to receive power from PSALM to their respective independent power producers to their respective customers. All customers that connect to the Distribution Utilities' distribution lines are required to pay a tariff approved by ERC.

Retail Electricity Supply Business

AboitizPower's wholly-owned RES entities, Adventenergy and Adventpower, have existing electricity supply agreements with both affiliate generation entities and non-affiliate suppliers to ensure continuous supply of power to their customers. Adventenergy and Adventpower maintain a portfolio of supply contracts from renewable and non-renewable sources to secure reliable and affordable electricity for their customers. These electricity supply contracts involve a mix of fixed rates and indexed electricity fees that are updated year on year to ensure that supply is maintained at competitive rates.

(iv) New Products/Services

LNG

On March 1, 2024, AboitizPower, indirectly through its wholly-owned Subsidiary, TNGP, entered into an Investment Agreement with MGen to acquire a 40% equity interest in CGHI. With TNGP's investment, CGHI is 60% and 40% legally and beneficially owned by MGen and TNGP, respectively. TNGP's co-investment with MGen and SMGP in SPPC, EERI, and IPIEC was completed on January 27, 2025.

The transaction involved:

- a) CGHI's acquisition of a 67% equity interest in SPPC, EERI, and IPIEC; and
- b) CGHI and SMGP's joint acquisition of approximately 100% of LFC, which operates the LNG Terminal in Batangas City.

797-MW CBK HEPP

The Thunder Consortium, composed of ARI, Sumitomo, and J-Power won the bidding process conducted by PSALM for the privatization of the 797-MW CBK HEPP Complex in July 2025, with the acquisition of CBK HEPP's hydroelectric and pumped storage assets being approved by the PCC in November 2025. The CBK HEPP was officially turned over by the Philippine government to the Thunder Consortium in February 2026.

Located in Laguna, the CBK HEPP Complex, particularly its Kalayaan pumped storage units, serves as a critical energy buffer for the Luzon grid. Its ability to store energy and rapidly dispatch power strengthens system stability, provides essential ancillary services, and supports the integration of renewable energy sources. As the Philippines expands its clean energy portfolio, the facility is expected to play a key role in safeguarding grid reliability and helping prevent power disruptions.

Van Phong

AboitizPower will acquire a 25% equity stake in Van Phong Power Company Limited (VCPL) from Sumitomo Corporation. As of February 28, 2026, the parties executed all agreements relating to the sale and purchase of VCPL, subject to closing conditions, including an application process pending before the Government of Vietnam.

VCPL owns and operates the Van Phong power plant, a 1,320 MW high-efficiency, low-emission (HELE) coal-fired power plant in Khánh Hòa Province, Vietnam (the Van Phong Plant). The Van Phong Plant commenced commercial operations in January 2024, and operates under a 25-year power purchase agreement with Vietnam's national utility, Vietnam Electricity (EVN). Van Phong 1 Coal-Fired is designed to supply about 8.5 bn kWh per year to the national grid, equivalent to around 4% of Vietnam's annual gross power generation.

Venture Studios

1882 Energy Ventures is a venture studio focused on accelerating the global energy transition by building and scaling startups that decentralize energy systems by reshaping how homes, businesses, mobility, and networks are powered. The 1882 Group builds startups in the areas of decentralized energy resources, electric mobility, and the energy internet of things and data. By advancing decentralization, the 1882 Group aims to drive decarbonization, enhance energy efficiency, and fuel long-term economic growth and development in the country and beyond.

Other than the ongoing Greenfield and/or rehabilitation projects undertaken by AboitizPower's Generation Companies, AboitizPower and its Subsidiaries do not have any other publicly announced new products or services as of February 28, 2026.

(v) Competition

Power Generation Business

AboitizPower's power generation business operates in a competitive environment that is characterized by economic conditions, seasonal energy demand, regulatory requirements, and volatility in global commodity prices. The Generation Companies' target customers are private distribution utilities, electric cooperatives, and RESes. These target customers procure bulk power from Generation Companies to build and diversify their respective customers' power supply portfolio, which is then delivered to the end users. Distribution utilities and electric cooperatives operate in a regulated environment and are required to source power through a CSP, in accordance with guidelines set by the DOE, ERC, and the National Electrification Administration (NEA).

Among the abovementioned influences, AboitizPower continues to face competition in both greenfield and brownfield opportunities. With the latest mandate on Renewable Portfolio Standards (RPS) and through the Green Energy Auction Program (GEAP), many competitors have started exploring and committing to increase their renewable energy capacity.

Over the next three years, the majority of new supply is expected to come from variable renewable energy, with nearly 65% of it expected to come from the GEAP.

AboitizPower also believes that the Philippines' energy requirements will continue to grow as the country's economy develops, attracting new entrants both from demand and supply segments. With this opportunity, AboitizPower believes it is well-positioned to play a significant role in this growth, both in the renewable energy growth aspirations and baseload requirements of the country.

In particular, AboitizPower is expected to continue to face competition from leading multinationals such as TeM Energy Corporation, Electricity Generating Public Company Limited (EGCO), and Korea Electric Power Corporation, as well as power generation facilities owned or controlled by Filipino-owned companies such as AC Energy, Alsons Power Group, DMCI Holdings, Inc., FDC Utilities, Inc., First Gen Corporation, MGen, and SMGP.

Based on installed capacity, AboitizPower ranks first in market share¹⁸ with 23.86%, firmly establishing its position as the market leader.

Retail Electricity Supply Business

Based on ERC's Competitive Retail Electricity Market (CREM) and GEOP Monthly Statistical Data as of December 2025, there are 57 RES companies and 30 Local RES companies participating in RCOA in Luzon, Visayas, and Mindanao, with the latter having commenced the operation of RCOA on March 26, 2024.

AboitizPower, through its RES companies, has the largest market share as a group in the RES market at 30.39%, with a contracted capacity of 1,354.80 MW as of December 2025¹⁹. The Manila Electric Company (Meralco) group has the second-largest market share at 26.35%, with contracted capacity of 1,174.60 MW. The Meralco group's main strength is its affiliation with the country's largest distribution utility, Meralco, which has both the financial and market strength, as well as the goodwill that comes from its size, long history, and long-time dominance in the RCOA space. The San Miguel group's RES business has the third largest market share at 19.62%, with a contracted capacity of 874.57 MW. The San Miguel group is backed by a conglomerate that has investments in a diverse list of business segments and, unlike the AboitizPower and Meralco groups, does not rely on the power business as its main business.

The increase in the number of variable renewable power plants, the number of RES companies, and volatile WESM prices have also increased the level of competition in the RCOA market. RES companies have adopted competitive pricing strategies and offered contractual incentives to customers to attract and grow their customer base.

¹⁸ ERC Resolution No. 14, Series of 2025.

¹⁹ ERC Competitive Retail Electricity Market (CREM) monthly statistical data as of December 2025

AboitizPower believes that its portfolio of supply, consisting of different types of energy sources with a mix of both renewable and thermal sources, allows it to be flexible in both pricing and reliability of supply, thus enhancing its competitiveness and allowing it to become the market leader in 2025.

Distribution Utilities Business

Each of AboitizPower's Distribution Utilities currently have franchises to distribute electricity in their respective franchise areas. The business of electricity distribution is a regulated public utility business that generally requires a national franchise that can be granted only by Congress. In addition to the legislative franchise, a CPCN from the ERC is also required to operate as a public utility. On the other hand, distribution utilities operating within economic zones are not required to obtain a franchise from Congress, but must be duly registered with Philippine Economic Zone Authority (PEZA) in order to operate within the economic zone. Thus, within each franchise area, the distribution utility has no competition.

(vi) Sources of Raw Materials and Supplies

Power Generation Business

The Generation Companies produce energy using the following fuel types based on attributable net selling capacity: 11% hydropower, 5% geothermal, 8% solar, 57.9% coal, 7% oil, and 12% LNG. In 2025, 24% of AboitizPower's attributable net selling capacity was generated using renewable fuel sources, 12% using LNG, and 64% from thermal.

Renewables

AboitizPower currently manages and operates 26 hydropower plants that supply the country with over 599 MW of clean and renewable energy. As a leading hydropower operator in the Philippines, AboitizPower's HEPPs help communities and businesses sustainably reach a better and greener future through power generation that is least disruptive to the environment.

APRI's steam requirement for its geothermal power generation continues to be supplied by PGPC. The terms of the steam supply are governed by a Geothermal Resources Supply and Services Agreement. APRI and PGPC signed a new agreement on August 24, 2018 under which PGPC will drill 12 new production wells with a minimum of 50 MW aggregated individual well capacity by 2023. This was completed in April 2023.

In addition, AboitizPower sources renewable energy from solar facilities across the country. These solar farms, with a combined capacity of over 400 MWac, harness sunlight as a natural raw material and rely on photovoltaic modules, inverters, and supporting infrastructure to convert it into electricity. By integrating solar alongside hydro and geothermal, AboitizPower diversifies its renewable supply base and strengthens its role in providing clean, reliable energy for communities and businesses nationwide.

Thermal

The Coal-fired power plants use coal as its fuel. AboitizPower sources its coal from Indonesia but prequalifies alternative origins to reduce dependency risks and ensure supply security in emergencies. Pagbilao Unit 3, TSI and SPI use low calorific value coals and have medium-term supply contracts for the majority of their annual requirements, while TVI has a long-term from 2024 stretching to 2028. Likewise, GNPD and GMEC also have long-term coal supply agreements until 2039 and 2030, respectively. TLI Units 1 and 2 are using higher calorific value coals with a long term supply agreement until 2029. These units are presently undergoing multiple testings of new coal supply sources with lower calorific value to improve fuel cost prices. Lastly, CEDC, which is also using low calorific value fuel, has supply agreements until 2028. The fuel prices under these agreements are either indexed to the Indonesian Coal Index (ICI) and/or Newcastle Coal Index (NewC), or may also be a fixed price, whichever is most cost efficient for the plant and/or should its generation/fuel pricing be tied to a

Power Supply Agreement (PSA).

The Oil-fired plants use heavy fuel oil (HFO) to generate electricity. Each of EAUC, TMI, and TMO secure its HFO requirements from different suppliers which includes Shell Pilipinas Corporation, Marine Fuels Philippines Inc., Petrograde Philippines, Inc., and/or SL Harbor Bulk Terminal. The fuel prices under these agreements are pegged to the Mean of Platts Singapore index or at a fixed price, whichever is more beneficial to the company.

Both Coal-fired and Oil-fired power plants require automotive diesel oil during startup. For this requirement, TLI, TVI, TSI, and the oil-fired power plants are contracted with Chevron Philippines, Inc.; GNPD and GMEC are contracted with PTT Philippines; and SPI is contracted with Shell Pilipinas Corporation. The fuel prices under these agreements are all currently linked to the Mean of Platts Singapore index.

LNG

The LNG-fired power plants source liquefied natural gas (LNG) as their primary fuel. The integrated LNG-to-power facilities, including SPPC and EERI (collectively, "LNGPH") have long-term LNG Sale and Purchase Agreements with various LNG suppliers including Vitol Asia Pte Ltd. (Vitol), a global energy and commodities company. Under this agreement, Vitol will supply up to 0.8 mn metric tons of LNG per year for a period of ten years starting in 2025. The LNG is sourced from Vitol's global portfolio and delivered to the LNGPH terminal in Batangas. This arrangement supports fuel availability for the LNG-fired units and contributes to the reliability and stability of the thermal generation portfolio.

Power Distribution Business

The rates at which the Distribution Utilities purchase electricity from affiliated Generation Companies are established pursuant to bilateral agreements. These agreements are executed after the relevant Generation Company has successfully bid for the right to enter into a PSA with a distribution utility. These agreements are entered into on an arms'-length basis, on commercially reasonable terms, and must be approved by the ERC. ERC's regulations currently restrict AboitizPower's Distribution Utilities from purchasing more than 50% of their electricity requirements from affiliated Generation Companies.

To address long-term power supply requirements, Davao Light and Cotabato Light entered into 25-year Power Supply Contracts (PSCs) with TSI for 100 MW and 5 MW, respectively, and started drawing their contracted capacity in September 2015. In June 2016, Davao Light and TSI filed a Joint Manifestation with ERC stating that they agreed to supplement and modify their supply contract to 108 MW.

To meet the RPS requirement, Davao Light entered into a ten-year 55 MW PSA with Hedcor Sibulan from 2022 to 2032. Davao Light also renewed its CSEE with PSALM for a period of three years from 2023 to 2025 for 185 MW. This is further renewed for one year up to December 25, 2026. To cover its peak demand requirement for 2023 to 2026, Davao Light entered into a three-year PSA with TMI for a 50 MW supply.

To address long-term power supply requirements, Visayan Electric entered into a 25-year Electric Power Purchase Agreement (EPPA) with Cebu Energy in October 2009 for the supply of 105 MW. Visayan Electric also has a 15-year PSA with TVI for the supply of 150 MW beginning April 2019. To reduce exposure to the high prices in the market, Visayan Electric further entered into a CSEE with PSALM for a non-firm supply of 60MW until November 25, 2025. With the increased demand and the election period in 2025, Visayan Electric faced an urgent need to secure additional supply and ensure reliability and continuity of service. Visayan Electric entered into an Emergency Power Supply Agreement (EPSA) with TVI for 45 MW covering the period from April 26, 2025 to April 25, 2026.

In 2021, Subic Enerzone conducted a CSP to reduce its WESM exposure, wherein Masinloc Power Partners Co. Ltd. (MPPCL) won the 10 MW PSA starting December 26, 2021. Similarly, Lima Enerzone conducted its own CSP in 2021 to replace its expiring contract supply, wherein TLI won the contract at 7 MW for five years starting in May 2021. Malvar Enerzone sources its power supply from WESM to meet the ecozone's power requirements until its electricity demand is stable.

The provisions of the Distribution Utilities' PPAs are governed by ERC regulations. The main provisions of each contract relate to the amount of electricity purchased, the price, including adjustments for various factors such as inflation indexes, and the duration of the contract. Distribution Utilities also enter into PSAs with various generation companies.

Transmission Charges

AboitizPower's Distribution Utilities have existing Transmission Service Agreements (TSAs) with the NGCP for the use of the latter's transmission facilities in the distribution of electric power from the grid to its customers, which are valid until the dates specified below:

Distribution Utility	Valid until
Lima Enerzone	July 25, 2027
Cotabato Light	August 25, 2028
SFELAPCO	December 25, 2028
Davao Light	January 25, 2029
Visayan Electric	January 25, 2029
Mactan Enerzone	January 25, 2030
Balamban Enerzone	December 25, 2030
Malvar Enerzone	December 25, 2030

The Distribution Utilities have negotiated agreements with the NGCP in connection with the security deposit to secure their obligations to the NGCP under the TSAs.

(vii) Major Customers

Power Generation Business

As of December 31, 2025, out of the total electricity sold by AboitizPower's Generation Companies, approximately 84% was covered by bilateral contracts with, among others, private distribution utilities, electric cooperatives, and industrial and commercial companies. The remaining, approximately 16%, was sold by the Generation Companies through the WESM, a co-optimized energy and reserves market.

Retail Electricity Supply Business

As of February 28, 2026, AboitizPower's RES business had approximately 481 Contestable Customers under RCOA and nine End-users under GEOP, and 22 Aggregated Groups under the Retail Aggregation Program (RAP) with active contracts. These customers come from a wide number of industries, including property development, meat processing, semiconductors, steel, and cement. AboitizPower thus believes that this diversity in customers will insulate its RES business from downturns in any one industry.

Power Distribution Utilities

AboitizPower's Distribution Utilities have wide and diverse customer bases. As such, AboitizPower believes that loss of any one customer is not expected to have a material adverse impact on the Company. The Distribution Utilities' customers are categorized into four principal categories:

- (a) *Industrial customers.* Industrial customers generally consist of large-scale consumers of electricity within a franchise area, such as factories, plantations, and shopping malls;
- (b) *Residential customers.* Residential customers are those who are supplied electricity for use in a structure utilized for residential purposes;
- (c) *Commercial customers.* Commercial customers include service-oriented businesses, universities, and hospitals; and
- (d) *Other customers.* Customers not falling under any of the above categories.

Government accounts for various government offices and facilities are categorized as either commercial or industrial depending on their load. Each Distribution Utility monitors government accounts separately and further classifies them to local government accounts, national government accounts, or special government accounts like military camps. Streetlights have a different rate category and are thus monitored independently.

(viii) Transactions with and/or Dependence on Related Parties

AboitizPower and its Subsidiaries, in their regular conduct of business, have entered into transactions with Associates and other related parties principally consisting of professional and technical services, power sales and purchases, advances, various guarantees, construction contracts, aviation services, and rental fees. These are made on an arm's-length basis as of the time of the transactions.

Details of the significant account balances of the foregoing related party transactions of the AboitizPower Group can be found in the accompanying consolidated financial statements of the Company.

(ix) Permits, Franchises, and Trademarks

AboitizPower and its Subsidiaries have secured all material permits, franchises, and trademarks required to operate its businesses. These are further discussed below.

Power Generation Business

Power generation is not considered a public utility operation under RA No. 9136 or the Electric Power Industry Act of 2001 (EPIRA). Thus, a franchise is not needed for generation companies to engage in the business of power generation. Nonetheless, no person or entity may engage in the generation of electricity unless such person or entity has secured a COC or PAO from the ERC. Generation companies are likewise required to comply with technical, financial, ownership/control, and environmental standards, and to ensure that their grid-connected facilities meet the criteria set out in the Philippine Grid Code (PGC), Philippine Distribution Code, and Philippine Electrical Code.

ARI, the renewable energy arm of AboitizPower, recorded significant permitting and operational milestones across its solar and geothermal portfolio.

On May 22, 2025, the 17-MW Tiwi Binary Geothermal Power Plant commenced commercial operations upon the issuance of its PAO. Operated by APRI, this plant utilizes the residual geothermal brine from the existing Tiwi geothermal facility in Albay.

The 173-MWp (137.4-MWac) Calatrava Solar Power Plant, located in San Isidro, Calatrava, Negros Occidental, commenced commercial operations upon the issuance of its PAO on July 24, 2025. Prior to the issuance of the PAO, ARI obtained the Final Certificate of Approval to Connect (FCATC) from the NGCP, confirming that the facility meets the technical design and operational requirements for grid connection under the PGC.

Distribution Business

Under the EPIRA, the business of electricity distribution is a regulated public utility business that requires a franchise that can be granted only by Congress. In addition to the legislative franchise, a CPCN from ERC is also required to operate as a public utility. However, distribution utilities operating within economic zones are not required to obtain a franchise from Congress, but must be duly registered with PEZA in order to operate within the economic zone.

All distribution utilities are required to submit to the ERC a statement of their compliance with the technical specifications prescribed in the Philippine Distribution Code, which provides the rules and regulations for the operation and maintenance of distribution systems, and the performance standards set out in the implementing rules of the EPIRA.

Shown below are the respective expiration periods of the Distribution Utilities' legislative franchises:

Distribution Utility	Franchise	Term	Expiry
Visayan Electric	RA No. 9339	25 years from effectivity of RA No. 9339. RA No. 9339 was approved on Sept. 1, 2005.	Valid until September 23, 2030
	ERC Certificate No. CPCN-09-01 (ERC Decision dated January 26, 2009, ERC Case No. 2008-095 MC).	25 years, or from September 24, 2005 to September 24, 2030	Valid until September 24, 2030
Davao Light	RA No. 11515	25 years from expiration of the term granted under RA No. 8960, or from September 29, 2025 to September 28, 2050 (Lapsed into law on December 26, 2020)	Valid until September 28, 2050
	ERC Certificate No. CPCN-2025-01 (ERC Decision dated September 3, 2025, ERC Case No. 2024-032 MC)	25 years from September 8, 2025 to September 30, 2050	
	RA No. 12144 (Expanded Franchise)	25 years from effectivity of RA 11515, or from September 29, 2025 to September 28, 2050 (Lapsed into law on April 6, 2025)	Valid until September 28, 2050
	Provisional authority granted pursuant to Order dated December 12, 2025 in ERC Case No. 2025-038 MC	To commence operations within one year from approval of provisional authority	N/A
Cotabato Light	RA No. 10637	25 years from the effectivity of RA No. 10637, as amended, which was approved on June 16, 2014.	Valid until July 4, 2039
	ERC Certificate No. CPCN-14-001 (ERC Decision dated December 9, 2019, ERC Case No. 2013-063 MC)	25 years, or from June 17, 2014 to June 16, 2039	Valid until June 16, 2039
SFELAPCO	RA No. 9967	25 years from effectivity of RA No. 9967 (Lapsed into law on February 6, 2010)	Valid until March 23, 2035
	ERC Certificate No. CPCN-10-01 (ERC Decision dated August 31, 2010, ERC Case No. 2010-029 MC)	25 years, or from March 24, 2010 to March 23, 2035	
Subic Enerzone	Distribution Management Service Agreement (DMSA) between Subic Enerzone and Joint Venture of AEV-Davao Light	Notarized on May 15, 2003. Term of the DMSA is 25 years.	Valid until May 15, 2028

Mactan Enerzone, Balamban Enerzone, Lima Enerzone, and Malvar Enerzone which operate the power distribution utilities in MEPZ II, WCIP, LTC, and LISP IV respectively, are duly registered with PEZA as Ecozone Utilities Enterprises.

Retail Electricity Supply Business

Like power generation, the business of supplying electricity is not considered a public utility operation under EPIRA. However, it is considered a business affected with public interest. As such, the EPIRA requires all suppliers of electricity to end-users in the contestable market, other than distribution utilities within their franchise areas, to obtain a license from the ERC. With the implementation of RCOA in 2013, AboitizPower's RES Subsidiaries and Generation Companies with RES business segments, Adventpower, Adventenergy, APRI, SN Aboitiz Power-Magat, SN Aboitiz Power-RES, Prism Energy, and TLI, have all obtained separate licenses to act as RES.

Trademarks

AboitizPower and its Subsidiaries own, or have pending applications for the registration of, intellectual property rights for various trademarks associated with their corporate names and logos. The following tables set out information regarding the trademarks and trademark applications that the Company and its Subsidiaries have filed with the Philippine Intellectual Property Office (Philippine IPO) and abroad:

Philippine IPO

Trademarks/ Description	Owner	Registration No./ Date Issued	Status
"A Better Future" word mark (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004383/ November 11, 2010 Trademark was renewed on November 11, 2020.	Registered
"Better Solutions" word mark (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004384/ November 11, 2010 Trademark was renewed on November 11, 2020.	Registered
"AboitizPower" word mark (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004385/ November 11, 2010 Trademark was renewed on November 11, 2020.	Registered
"AboitizPower Spiral and Device" device mark with color claim (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004380/ February 10, 2011 Trademark was renewed on February 10, 2021.	Registered
"Cleanergy" word mark (Class No. 40)	Aboitiz Power Corporation	4-2001-007900/ January 13, 2006 Trademark was renewed on January 13, 2016.	Registered
"Cleanergy" word mark (Class Nos. 39 and 42)	Aboitiz Power Corporation	4-2019-000850/ June 9, 2019	Registered
"Cleanergy Get It and Device" device mark with color claim (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004381/ November 11, 2010 Trademark was renewed on November 11, 2020.	Registered
"Cleanergy Got It and Device" device mark (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004382/ November 11, 2010 Trademark was renewed on November 11, 2020.	Registered
"AboitizPower and Device" device mark with color claim (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004379/ February 10, 2011 Trademark was renewed on February 10, 2021.	Registered
Subic EnerZone Corporation and Logo trademark (Class No. 39)	Subic EnerZone Corporation	4-2006-007306/ August 20, 2007 Trademark was renewed on August 20, 2017.	Registered
Subic EnerZone Corporation and Logo Word mark and device (Class No. 39)	Subic EnerZone Corporation	4-2006-007305/ August 20, 2007 Trademark was renewed on August 20, 2017.	Registered
"Subic EnerZone Corporation" word mark (Class No. 39)	Subic EnerZone Corporation	4-2006-007304/ June 4, 2007 Trademark was renewed on June 4, 2017.	Registered

Trademarks/ Description	Owner	Registration No./ Date Issued	Status
"Cotabato Light" Logo (Class No. 39)	Cotabato Light and Power Corporation	4-2019-502915/ October 20, 2019	Registered
"Davao Light" Logo (Class No. 39)	Davao Light and Power Corporation	4-2019-502917/ October 20, 2019	Registered
"Balamban Enerzone" Logo (Class No. 39)	Balamban Enerzone Corporation	4-2019-502910/ February 10, 2020	Registered
"Mactan Enerzone" Logo (Class No. 39)	Mactan Enerzone Corporation	4-2019-502911/ February 20, 2020	Registered
"Lima Enerzone" Logo (Class No. 39)	Lima Enerzone Corporation	4-2019-502912/ February 10, 2020	Registered
"Malvar Enerzone" Logo (Class No. 39)	Malvar Enerzone Corporation	4-2019-502913/ February 10, 2020	Registered
"Subic Enerzone" Logo (Class No. 39)	Subic Enerzone Corporation	4-2019-502914/ October 20, 2019	Registered
"Visayan Electric" Logo (Class No. 39)	Visayan Electric Company, Inc.	4-2019-015288/ December 29, 2019	Registered
"MORE" Logo (Class 35)	Manila-Oslo Renewable Enterprise, Inc.	4-2018-00018077/February 21, 2019	Registered
"SN ABOITIZ POWER" Logo GROUP (Class 35 & 40)	Manila-Oslo Renewable Enterprise, Inc., SN Aboitiz Power-Magat, Inc., and SN Aboitiz Power-Benguet, Inc.	4-2018-00018076/ February 5, 2019	Registered
"SN ABOITIZ POWER-BENGUET, INC." Logo	SN Aboitiz Power-Benguet, Inc.	4-2014-00005209/ December 29, 2016	Registered
"SNAP ABOITIZ POWER-MAGAT, INC." Logo	SN Aboitiz Power-Magat, Inc.	4-2014-00005208/ March 9, 2017	Registered
 Logo	SN Aboitiz Power-Magat, Inc.	4-2017-00018969/ June 7, 2018	Registered

International Trademarks (Non-Madrid Protocol)

AboitizPower has the following registered international trademarks:

Trademarks	Country of Application
Cleanergy	Indonesia
AboitizPower	Myanmar
Aboitiz Power and Device	Myanmar
Cleanergy	Myanmar
Cleanergy Get It	Myanmar
Cleanergy Got It	Myanmar
AboitizPower (class 39, 40, 42)	Malaysia
AboitizPower Device (class 39, 40, 42)	Malaysia
Cleanergy (class 39, 40, 42)	Malaysia
Cleanergy Got It Device (class 39, 40, 42)	Malaysia
Cleanergy Get it Device	Malaysia

International Trademarks Application (Madrid Protocol)

AboitizPower has the following registered international trademarks from applications under the Madrid Protocol:

Trademarks	Country of Application
AboitizPower Word Mark (Class Nos. 39, 40, 42)	Indonesia
AboitizPower A Better Future (Class Nos. 39, 40, 42)	Vietnam
AboitizPower A Better Future (Class Nos. 39, 40, 42)	Indonesia
Cleanergy Word Mark (Class Nos. 39, 40, 42)	Vietnam
Cleanergy Word Mark (Class Nos. 39, 40, 42)	Indonesia
Cleanergy Get It Device (Class Nos. 39, 40, 42)	Vietnam
Cleanergy Get It Device (Class Nos. 39, 40, 42)	Indonesia
Cleanergy Got It Device (Class Nos. 39, 40, 42)	World Intellectual Property Office
Cleanergy Got It Device (Class Nos. 39, 40, 42)	Vietnam
Cleanergy Got It Device (Class Nos. 39, 40, 42)	Indonesia

AboitizPower also has the following pending international trademark applications under the Madrid Protocol:

Trademarks	Country of Application
AboitizPower Word Mark (Class Nos. 39, 40, 42)	Vietnam
AboitizPower Device (Class Nos. 39, 40, 42)	Vietnam
AboitizPower Device (Class Nos. 39, 40, 42)	Indonesia

(x) Government Approvals

The discussion on the need for any government approval for any principal products or services of the Company and its Subsidiaries, including COCs obtained by the Generation Companies and franchises obtained by the Distribution Utilities, is included in Item (ix) Permits, Franchises, and Trademarks.

(xi) Effect of Existing or Probable Government Regulations on the Business

AboitizPower and its Subsidiaries are subject to the laws generally applicable to all Philippine corporations, such as corporation law, securities law, tax laws, and the Local Government Code. All Philippine corporations are also subject to labor laws and social legislation, including RA No. 11199 or the Social Security Act of 2018, RA No. 10606 or the National Health Insurance Act of 2013, RA No. 11223 or the Universal Health Care Act, RA

No. 9679 or the Home Development Mutual Fund Law of 2009, The Philippine Labor Code and its implementing rules, and other labor-related laws, regulations, and DOLE-mandated work-related programs.

AboitizPower closely monitors its compliance with the laws and government regulations affecting its businesses.

1. Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act

RA No. 12066, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (“CREATE MORE”) Act, was signed into law on November 8, 2024 and took effect on November 28, 2024. The law introduced several key enhancements to the Philippines’ tax incentive framework with the objective of building on the earlier enacted CREATE Act, generate more jobs and spur economic growth, and attract both domestic and foreign investments by making the Philippines more globally competitive and investment-friendly.

The salient features of the CREATE MORE Act are as follows:

- (a) Reduces the corporate income tax rate of registered business enterprises (RBE) under the Enhanced Deduction Regime to 20%;
- (b) Introduces additional deductions for RBEs under the Enhanced Deduction Regime;
- (c) Extends the coverage of 5% Special Corporate Income Tax benefit to cover all national and local taxes, including local fees and charges;
- (d) Simplifies local taxation by giving an option to LGU to impose local taxes on RBEs up to maximum rate of 2% of gross income which shall be in lieu of all local taxes, fees, and charges;
- (e) Addresses ambiguities in the Value Added Tax (VAT) provisions under the CREATE Act, specifying the goods and services eligible for VAT exemptions and zero-rating – i.e., relaxed the rule in order to be entitled from “directly and exclusively used” to “directly attributable” to the registered project or activity;
- (f) Extends the entitlement period to tax incentives granted to RBEs;
- (g) Introduces special provisions for high-value domestic market enterprises (HVDMEs), defined as those (i) with investment capital exceeding ₱15 bn and are engaged in sectors considered import-substituting, or (ii) with export sales in the immediately preceding year of at least USD100 Million or equivalent in acceptable foreign currency; and
- (h) Clarifies that RBEs granted incentives prior to CREATE Act (“Pre-CREATE RBEs”) may continue to avail of the same until December 31, 2034.

In view of the relaxation of the rule to qualify for VAT exemption on importation and VAT zero-rating on local purchases, as well as the express clarification of Pre-CREATE RBEs’ continuing entitlement to its non-income tax incentives during the transitory period, the subsidiaries which were registered both prior to and during the effectivity of the CREATE Act will benefit in the form of tax savings, since its expenses that are incidental to and reasonably necessary for the registered project/activity of the RBE shall be entitled to the aforementioned non-income tax incentives.

2. Revised Corporation Code

The Revised Corporation Code was signed into law on February 20, 2019 and took effect on February 23, 2019. Among the salient features of the Revised Corporation Code are: allowing the perpetual existence of corporations; requiring corporations vested with public interest to submit to its shareholders and to the SEC an annual report of the total compensation of each of its directors or trustees; and, allowing stockholders to vote in the election of directors or trustees, or in shareholders meetings, through remote communication or *in absentia*, among others.

3. The Philippine Competition Act

On March 1, 2026, the thresholds for the notification requirements are as follows:

Test	New Threshold (effective March 1, 2026)	Former Threshold
Size of Party Test	₱9.1 bn	₱8.5 bn
Size of Transaction Test	₱3.8 bn	₱3.5 bn

This means that if the value of the assets or revenues of the Ultimate Parent Entity (UPE) of at least one of the parties exceeds ₱9.1 bn and the value of the assets or revenues of the acquired, target, or merged entity exceeds ₱3.8 bn, then the parties must notify the PCC of the transaction, provided that the other requirements under the Philippine Competition Act (PCA) are met.

4. Amended Foreign Investments Act of 1991 (Amended FIA)

On March 2, 2022, former President Duterte signed into law RA No. 11647, *“An Act Promoting Foreign Investments, Thereby Amending Republic Act 7042 Otherwise Known as the Foreign Investments Act of 1991, as Amended and For Other Purposes.”* (the “Amended FIA”). The law aims to attract foreign investments in activities which contribute to sustainable economic growth, global competitiveness, employment creation, technical advancement, and countrywide development.

Under this law, foreign nationals are now allowed to engage in a domestic market enterprise with a minimum capital requirement of US\$100,000.00 provided that the enterprise: (a) utilizes advanced technology as determined by the Department of Science and Technology; (b) was endorsed as a start-up or start-up enabler under RA No. 11337 or the Innovating Startup Act; or (c) is composed of a majority of Filipino employees, which shall not be less than 15. Other salient features of the Amended FIA include: (a) a required understudy or skills development program by registered foreign enterprises to ensure skills and technology transfer to Filipinos; (b) allowing 100% foreign investment in a domestic enterprise unless participation of foreigners is limited to a smaller percentage; and (c) allowing 100% foreign investment in an export enterprise provided that the products or services do not fall under the Foreign Investments Negative List.

Pursuant to the FIA, as amended, the Twelfth Regular Foreign Investment Negative List was promulgated on June 27, 2022 (the “Negative List”). This Negative List enumerates industries and activities which have foreign ownership limitations under the FIA and other existing laws. Nationalized activities include, among others, exploration, development, and utilization of natural resources, operation of public utilities, and land ownership.

5. Data Privacy Act of 2012

Republic Act No. 10173 or the Data Privacy Act of 2012 is a comprehensive and strict privacy legislation aimed to protect the fundamental human right of privacy by: (i) protecting the privacy of individuals while ensuring free flow of information for a legitimate purpose; (ii) regulating the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure, or destruction of personal data; and (iii) ensuring that the country complies with international standards set for data protection through the National Privacy Commission.

The law’s Implementing Rules and Regulations (“IRR”) took effect on September 9, 2016, requiring all organizations to comply with the following: (i) appointment of a Data Protection Officer (DPO); (ii) conduct of a Privacy Impact Assessment (PIA), particularly for high-risk data processing activities; (iii) adoption of a privacy management program and privacy policy; (iv) implementation of privacy and data protection measures; and (v) establishment of a breach reporting procedure. In addition, companies with at least 250 employees or those processing sensitive personal information of at least 1,000 individuals are required to register their data processing systems with the National Privacy Commission.

AboitizPower treats data privacy not merely as a compliance requirement, but as a strategic business priority embedded in the company’s culture, governance, and operations.

AboitizPower implements a robust suite of learning and engagement initiatives to foster awareness and accountability among employees. These include DPA 101 E-Learning Modules & Quizzes, which familiarize

employees with the Data Privacy Act's key concepts, types of personal data, roles and responsibilities, data subject rights, and the consequences of DPA violations. Complementing this, the annual Data Privacy Learning Session features expert talks, interactive discussions, and practical insights that equip employees to handle personal data responsibly in their daily work. These initiatives are aligned with the national observance of Privacy Awareness Week (PAW), established under Proclamation No. 527, s. 2018 and led by the National Privacy Commission, reinforcing a strong internal privacy culture while advocating for a privacy-conscious digital community.

AboitizPower further promotes privacy responsibility through quarterly campaigns, data breach management simulation exercises and the empowerment of Privacy Champions across Customer Service Units (CSUs). These programs help employees internalize their role in safeguarding personal data, embedding Privacy by Design principles, and strengthening the company's preparedness for data breach incidents.

In 2023, AboitizPower and certain Affiliates and Subsidiaries of AEV executed an Omnibus Data Sharing Agreement (ODSA) to facilitate the free flow of information across different Business Units following the regulatory framework. This agreement establishes adequate safeguards for data privacy and security, ensuring that data sharing activities uphold the rights of data subjects while serving legitimate business purposes. In support of this initiative and to demonstrate transparency and accountability, AboitizPower's Privacy Statement is regularly updated, privacy notices and consent (opt-in) statements have been integrated across employee, applicant, customer, and website touchpoints, and data sharing arrangements have been formalized.

AboitizPower developed a semi-automated Privacy Impact Assessment (PIA) template in 2024 to enhance regulatory compliance, efficiency, and privacy risk management, replacing the manual process. This innovation fosters a more user friendly, transparent, and accountable data privacy culture within the organization by streamlining privacy assessments and improving usability.

Extending privacy vigilance beyond internal operations, AboitizPower also addresses third-party privacy risk. The Personal Information Processor (PIP) Questionnaire was launched as part of the accreditation requirements for vendors and service providers processing personal data. This ensures that third-party vendors are accountable and secure, enabling risk-based oversight, regulatory readiness, executive assurance, and compliance with applicable privacy laws.

AboitizPower actively collaborates with the National Privacy Commission to strengthen data privacy governance, share best practices, and promote a culture of Privacy by Design across Business Units.

The Company's efforts have been consistently recognized. In the 2025 S&P Global ESG Corporate Sustainability Assessment (CSA), AboitizPower scored 72/100 for Privacy Protection, ranking 9th globally, 4th in Asia Pacific, and 1st in the Philippines. By ensuring full compliance with the National Privacy Commission's 32-Point Checklist, AboitizPower further demonstrates leadership in privacy governance and accountability, reinforcing its commitment to strengthen privacy governance and risk management.

By embedding data privacy into its culture, policies, and operations, AboitizPower demonstrates that privacy is not just a regulatory obligation but an integral component of strategy that guides responsible leadership, builds stakeholder trust, and supports sustainable growth in a rapidly evolving digital landscape.

6. Labor Laws

The Philippine Labor Code and other statutory enactments provide the minimum benefits that employers must grant to their employees, which include certain social security benefits, such as benefits mandated by the Social Security Act of 1997 (RA No. 8282), the National Health Insurance Act of 1995 (RA No. 7875), as amended, and the Home Development Fund Law of 2009 (RA No. 9679). On the other hand, the Occupational Safety and Health Law (RA No. 11058) reinforces the existing Occupational Safety and Health Standards, which sets out, among others, the guidelines applicable to different establishments intended for the protection of every working man against the dangers of injury, sickness or death through safe and healthful working conditions.

The Department of Labor and Employment (DOLE) is the Philippine government agency mandated to implement policies, programs and services, and serves as the policy-coordinating arm of the executive branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws, such as the Labor Code of the Philippines and the Occupational Safety and Health Law and Standards, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

a. Social Security System, PhilHealth and the Pag-IBIG Fund

An employer or any person who uses the services of another person in business, trade, industry, or any undertaking is required under the Social Security Act of 2018 (RA No. 11199) to ensure coverage of employees following procedures set out by the law and the Social Security System (“SSS”). Under the said law, an employer must deduct from its employees their monthly contributions in an amount corresponding to his salary, wage, compensation or earnings during the month in accordance with the monthly salary credits, the schedule and the rate of contributions as may be determined and fixed by the Social Security Commission, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations. This enables the employees or their dependents to claim their pension, death benefits, permanent disability benefits, funeral benefits, sickness benefits and maternity-leave benefits. On December 19, 2024, the SSS issued Circular No. 2024-006 which increased the mandatory contribution rate from 14% in 2024 to 15% in 2025. The minimum Monthly Salary Credit (“MSC”) has likewise been increased to Five Thousand Pesos (₱5,000.00) and the maximum MSC has been increased to Thirty-Five Thousand Pesos (₱35,000.00).

Employers are likewise required to ensure enrolment of its employees in a National Health Insurance Program administered by the Philippine Health Insurance Corporation, a government corporation attached to the Department of Health tasked with ensuring sustainable, affordable, and progressive social health insurance pursuant to the provisions of RA No. 10606, the National Health Insurance Act of 2013.

On February 20, 2019, the Universal Health Care Act (RA No. 11223), was enacted, which amended certain provisions of the National Health Insurance Act of 2013. Under the said law, all Filipino citizens are now automatically enrolled into the National Health Program. However, membership is classified into two types, direct contributors and indirect contributors. Direct contributors refer to those who have the capacity to pay premiums, are gainfully employed and are bound by an employer-employee relationship, or are self-earning, professional practitioners, migrant workers, including their qualified dependents, and lifetime members. On the other hand, indirect contributors refer to all others not included as direct contributors, as well as their qualified dependents, whose premium shall be subsidized by the national government including those who are subsidized as a result of special laws. Every member is also granted immediate eligibility for health benefit packages under the program.

Under the Home Development Mutual Fund Law of 2009 (RA No. 9679), all employees who are covered by SSS must also be registered with and covered by the Home Development Mutual Fund (HDMF, more commonly referred to as the “Pag-IBIG Fund”). It is a national savings program as well as a fund to provide for affordable shelter financing to Filipino workers. Except for foreign expatriates, coverage under the HDMF is compulsory for all SSS members and their employers. Under the law, an employer must deduct and withhold 2% of the employee’s monthly compensation, up to a maximum of ₱5,000.00, and likewise make a counterpart contribution of 2% of the employee’s monthly compensation, and remit the contributions to the HDMF.

b. The Labor Code

The Philippine Labor Code provides that, in the absence of a retirement plan provided by their employers, private-sector employees who have reached 60 years of age or more, but not beyond 65 years of age, the compulsory retirement age for private-sector employees without a retirement plan, and who have rendered at least five years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month’s salary for every year of service, with a fraction of at least six months being considered as one whole year. For the purpose of computing the retirement pay, “one-half month’s salary” shall include all of the following: fifteen days’ salary based on the latest salary rate; in addition, one-twelfth of the thirteenth month pay and the cash equivalent of five days of service incentive leave

pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement.

c. Occupational Safety and Health Law

The Occupational Safety and Health Law (RA No. 11058) was signed into law on August 17, 2018. It applies to all private establishments alike, requiring them, among others, to furnish workers with a place of employment free from hazardous conditions causing or are likely to cause death, illness, or physical harm, and to comply with the Occupational Safety and Health standards, including training, medical examination and the necessary protective and safety devices, such as personal protective equipment.

Other Labor-Related Laws and Regulations

d. Contracting and Subcontracting

The Labor Code recognizes subcontracting arrangements, whereby a principal puts out or farms out with a contractor the performance or completion of a specific job, work or service within a definite or predetermined period, regardless of whether such job, work or service is to be performed or completed within or outside the premises of the principal. Such arrangements involve a “trilateral relationship” among: (i) the principal who decides to farm out a job, work or service to a contractor; (ii) the contractor who has the capacity to independently undertake the performance of the job, work, or service; and (iii) the contractual workers engaged by the contractor to accomplish the job, work, or service.

The DOLE, through its Department Order No. 174, Series of 2017, regulates subcontracting arrangements by requiring, among others, the registration of contractors with the Regional Office of the DOLE where it principally operates.

e. DOLE Mandated Work-Related Programs

Under the Comprehensive Dangerous Drugs Act (RA No. 9165), a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with ten or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 53-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution, also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases in accordance with the Anti-Sexual Harassment Act (RA No. 7877), which was signed into law on February 14, 1995, and the Safe Spaces Act (RA No. 9165), which was signed into law on April 17, 2019. Included among the duties of an employer is the creation of an internal Committee on Decorum and Investigation to increase understanding and prevent incidents of sexual harassment.

Moreover, DOLE Department Order No. 102-10 requires all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act (RA No. 8504). The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it is strictly limited to medical personnel.

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control. In line with the Mental Health Act (RA No. 11036), employers

are further required to develop policies and programs on mental health in the workplace designed to: raise awareness on mental health issues, correct the stigma and discrimination associated with mental health conditions, identify and provide support for individuals at risk, and facilitate access to treatment and psychosocial support.

All private workplaces are also required to update their respective Telecommuting Guidelines and Consent Form, whenever applicable, in accordance with the revised implementing rules and regulations of Telecommuting Act (DOLE D.O. 237-22).

Moreover, Labor Advisory No. 20-2023 requires private companies and their employees to implement a Cancer Prevention and Control in the Workplace Policy and Program. This program encompasses various elements, including prevention measures, access to screening, diagnosis, and treatment, support for employees; return to work, compensation and social policies, and the promotion of a safe and healthy lifestyle, which includes considerations for mental and social well-being.

Policies and Regulations Relating to the Power Industry

1. WESM in Mindanao

On January 26, 2023, the DOE posted an Advisory confirming that the Commercial Operation Date of WESM in the Mindanao grid commenced on January 26, 2023. This was also the date planned under Department Circular No. DC2022-12-039.

2. Public Offer Requirement of the EPIRA

On October 16, 2025, the ERC deliberated and approved ERC Resolution No. 17, Series of 2025, which amended the rules implementing the Public Offering Requirement (POR) under Section 43(t) of the EPIRA. The resolution clarified compliance with the POR by Generation Companies and Distribution Utilities through a publicly-listed holding company, providing that a publicly-listed indirect holding company shall be deemed sufficient compliance with Section 43(t) of the EPIRA. Under the revised rules and advisory, Generation Companies and Distribution Utilities that rely on the public listing of their direct or indirect holding company must submit annual documentation to the ERC, including proof of public listing compliance issued by the PSE and a certification from the Corporate Secretary confirming the relationship between the Generation Company or Distribution Utility and the listed holding company.

3. Independent Market Operator

On October 22, 2020, the DOE promulgated Department Circular No. DC2020-10-0021, which adopted amendments to the WESM Rules for the implementation of an Independent Market Operator.

4. Implementation of the Performance-based Rating-setting Regulation (PBR)

On November 20, 2025, the ERC promulgated ERC Resolution No. 23, series of 2025, directing the distribution utilities to file their Actual Weighted Average Tariff (AWAT) applications separate and distinct from the Rationalized Rules for Setting Distribution Wheeling Rates (RRDWR). The application shall cover from the start of their respective lapsed period until December 31, 2025. In ERC Resolution No. 1, series of 2026, it was established that the date of filing for the private Distribution Utility's respective AWAT applications will be on March 22, 2026. Cotabato Light submitted its application under the previous regulations and will file a supplemental application, while Visayan Electric, Davao Light, and Subic Enerzone will file their separate AWAT applications.

Thereafter, on November 28, 2025, the ERC promulgated Resolution No. 24, series of 2025, where it resolved to approve and adopt the RRDWR for privately owned distribution utilities under the PBR, included as well in the resolution is the Position Paper and Regulatory Asset Base (RAB) Handbook. The First Regulatory Period for the First Entry Group will commence on July 1, 2026 and will end on June 30, 2030. The First Regulatory Period for the Second, Third, and Fourth Entry groups shall commence on January 1, 2027, July 1, 2027, and January 1, 2028, respectively, and will likewise end after a four-year period.

As of February 28, 2026, Cotabato Light, as part of the First Entry Group has already completed the filing of its rate reset application and is awaiting the conduct of its hearings. As for the rest of the AboitizPower Distribution Utilities, Davao Light is in the Second Entry Group, Visayan Electric is in the Third Entry Group and Subic Enerzone is in the Fourth Entry Group, and shall file their respective rate reset applications in due course.

The Second, Third, and Fourth Entry Groups in the First Regulatory Period shall file their respective rate reset applications on the following dates: Second Entry Group (April 1, 2026), Third Entry Group (October 1, 2026), and Fourth Entry Group (April 1, 2027).

5. ERC Regulation on Systems Loss Cap Reduction

In December 16, 2021, ERC issued Resolution No. 12, Series of 2021 entitled *“A Resolution Clarifying the Applicable Distribution Feeder Loss Cap for Private Distribution Utilities by 2022 Onwards”*. The said Resolution amended the Distribution Feeder Loss Cap stated in ERC Resolution No. 10, series of 2018, maintaining the 2021 Distribution Feeder Loss Cap of 5.50% for the year 2022 onwards until such time that a new feeder loss cap is promulgated by the ERC.

6. Competitive Selection Process

In 2015, the DOE issued Department Circular No. DC2015-06-0008, mandating all distribution utilities to conduct a CSP for Power Supply Agreements (PSAs). The circular took effect on June 30, 2015. Subsequently, the ERC issued Resolution No. 13, Series of 2015, or the ERC CSP Rules, which outlined the process for awarding PSAs and required compliance with CSP for PSAs executed or negotiated during its effectivity. ERC Resolution No. 1, Series of 2016, later extended the start date of the effectivity of the CSP requirement to April 30, 2016, mandating CSP compliance for all PSAs executed on or after that date.

On February 1, 2018, DOE promulgated DC No. DC2018-02-0003 (the “2018 DOE Circular”) entitled *“Adopting and Prescribing the Policy for the Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreements for the Captive Market.”* Through this Circular, DOE issued its own set of guidelines (the “DOE CSP Rules”) for the procurement by distribution utilities of PSAs for the Captive Market.

The validity of ERC CSP Rules and ERC Resolution No. 1, Series of 2016, which delayed the CSP policy of the DOE in 2015, was challenged before the Supreme Court of the Philippines (“SC” or the “Supreme Court”) on the ground that the ERC, in issuing the said resolutions, amended the 2015 DOE Circular and effectively postponed the date of effectivity of the CSP requirement. Consequently, on May 3, 2019, the SC in the case of *Alyansa Para sa Bagong Pilipinas, Inc. v. ERC (G.R. No. 227670)*, declared the first paragraph of Section 4 of the ERC CSP Rules and ERC Resolution No. 1, Series of 2016, as void *ab initio*. The SC further ruled that all PSAs submitted to the ERC on or after June 30, 2015 shall comply with the CSP and that upon compliance with the CSP, the power purchase cost resulting from such compliance shall retroact to the date of the effectivity of the complying PSA, but in no case earlier than June 30, 2015, for purposes of passing on the power purchase cost to the consumers.

On September 24, 2021, the DOE promulgated Department Circular No. DC-2021-09-0030, amending the 2018 DOE Circular on the Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreement for the Captive Market. The new circular included a new exemption from the CSP process and introduced a mechanism of subjecting unsolicited proposals to competitive bidding. The Circular was published on October 14, 2021 and was effective on October 29, 2021.

On June 30, 2023, the DOE promulgated Department Circular No. DC2023-06-0021, repealing previous issuances on the distribution utilities’ conduct of CSP, including the 2018 and 2021 DOE Circulars. This DOE Circular likewise directed the ERC to issue implementing guidelines in the conduct of CSP and evaluation of PSAs resulting from the CSP of distribution utilities. Relative thereto, the ERC promulgated ERC Resolution No. 16, Series of 2023 entitled *“Implementing Guidelines for the Procurement, Execution, and Evaluation of Power Supply Agreements Entered into by Distribution Utilities for the Supply of Electricity to their Captive Market”*, which took effect on October 18, 2023.

Under the DOE Department Circular No. DC2023-06-0021, all PSAs shall be procured through CSP, except for the following instances: (1) provision for power supply by the National Power Corporation in off-grid areas prior to, and until the entry of New Power Providers (NPP), or in emergency situations; (2) provision of power supply by the PSALM through bilateral contracts; (3) power supply procured by distribution utilities exercising the Opt-in Mechanism under the Green Energy Auction Program; (4) supply to any distribution utility from an embedded generation facility within its franchise utilizing renewable energy (RE) resources, with contracted capacity of up to 10MW per distribution utility; (5) and negotiated procurement of emergency power supply; and (6) provision of supply in off-grid areas served or to be served by NPPs with less than 1MW demand with 24-hour electricity service. A PSA may also be entered into by direct negotiation if the CSP fails twice.

ERC Resolution No. 16, Series of 2023 also further classified PSAs into either Financial or Physical PSAs, and provided certain parameters to be observed depending on its classification. Both DOE Department Circular No. DC2023-06-0021 and ERC Resolution No. 16, Series of 2023 are the prevailing policy pronouncement and regulation applying to the CSP.

In November 2025, the ERC initiated rule making to propose additional amendments to ERC Resolution No. 16, series of 2023. In the draft amendments, the ERC proposed streamlining the PSA evaluation process, including allowing deemed approval of the lowest bid resulting from the CSP, as long as the CSP complies with the guidelines and shows no indication of anti-competitive behavior.

7. Adopting a General Framework Governing the Provision and Utilization of Ancillary Services in the Grid

On December 4, 2019, DOE issued Department Circular No. DC2019-12-0018 entitled *“Adopting a General Framework governing the utilization of Ancillary Services (AS) in the Grid”* (“AS Circular”).

Upon the commercial operation of the Reserve Market, the following rules shall govern the procurement of AS:

- (a) SO shall procure Regulating, Contingency, and Dispatchable Reserves through firm contracts and the Reserve Market provided that the contracted levels per reserve region shall be as follows:
 - (i) Regulating Reserve - Equivalent to 50% of the Regulating Reserve requirement;
 - (ii) Contingency Reserve - Equivalent to 50% of the dependable capacity of the largest generating unit;
 - (iii) Dispatchable Reserve - Equivalent to 50% of the dependable capacity of the second largest generating unit.

On June 21, 2021, the DOE issued an *“Advisory on the Implementation of DOE Circular No. DC2019-12-0018”*. The advisory directed the NGCP to expedite the procurement of the required AS in accordance with Department Circular No. DC2019-12-0018, and to convert NGCP’s non-firm ASPAs into firm ASPAs.

On October 4, 2021, the DOE issued Department Circular No. DC2021-10-0031 entitled: *“Prescribing the Policy for the Transparent and Efficient Procurement of Ancillary Services (AS CSP) by the System Operator (SO)”* that pushed a process similar to the CSP, but this time for AS to be procured, for all non-firm ASPA be converted to ASPA, and that the Market Operator (MO) can step in to help SO to avoid delays. In a Decision dated October 24, 2022, the ERC penalized NGCP for its failure to submit to the DOE its Terms of Reference (TOR) and Invitation to Bid (ITB) for the ASP CSP as one violation, and its failure to publish and maintain on its website the ITB without the prior DOE approval as another violation.

In November 2022, NGCP began the conduct of its AS CSP, resulting in several ASPAs with AboitizPower Generation Companies for the provision of Contingency Reserve, Dispatchable Reserve, Regulating Reserve, and/or Black Start Service. Consequently, several ASPA applications were filed with the ERC. Hearings for these applications were concluded in 2023 and the final approvals were received in 2025 for all AboitizPower Generation Companies awarded by ASPAs..

8. Ancillary Services Pricing and Cost Recovery Mechanism

Reserves are forms of ancillary services that are essential to the management of power system security. The provision of reserves facilitates orderly trading and ensures the quality of electricity.

On December 2, 2014, the DOE issued Circular No. 2014-12-0022, otherwise known as the Central Scheduling and Dispatch of Energy and Contracted Reserves. The circular aims to prepare the market participants in the integration of ancillary reserves into the WESM. The ancillary service providers will be paid based on their respective ASPAs with NGCP, while the scheduling of capacity and energy will be based on market results.

On September 14, 2018, NGCP filed a Petition seeking the Commission's approval of its proposed amendments to the Ancillary Services – Cost Recovery Mechanism, docketed as ERC Case No. 2018-005 RM. Currently, the existing cost-recovery mechanism for Ancillary Services shall continue to be implemented until a new mechanism is recommended by the AS-TWG and adopted by ERC.

On February 8, 2022, the ERC posted its call for comments on the Draft Ancillary Services Rules (AS Rules) under ERC Case Nos. 2017-005 RM and 2018-005 RM with submission deadline of February 22, 2022. It has forwarded again the transition to its new types and definitions of Ancillary Services, with its own specifications and technical requirements, a percentage of procurement of AS, for testing be done only by the SO, and a cost recovery mechanism.

On June 24, 2024, the DOE issued Department Circular No. DC2024-06-0019, entitled *“Adopting Further Amendments to the Wholesale Electricity Spot Market (WESM) Rules and WESM Manual on Dispatch Protocol, and Creation of WESM Manual on Ancillary Services Monitoring Regarding Reserve Market Compliance and Related Enforcement and Actions”*.

9. Price Determination Methodology for the Co-optimized Energy and Reserve Market

On January 10, 2023, the Philippine Electricity Market Corporation (PEMC) and Independent Electricity Market Operator of the Philippines (IEMOP) filed an application before the ERC for the reissuance of rules on the price determination methodology for the implementation of the co-optimized energy and reserve market in WESM, docketed as ERC No. 2023-002 RC. The application contains the proposed rules for determining the prices and schedules for dispatch, based on the offers of generation companies and demand of customers, taking into consideration power system conditions or constraints.

Through an Order in ERC Case No. 2023-002 RC dated August 24, 2023, the ERC promulgated granting interim relief in favor of PEMC and IEMOP, authorizing them to adopt and implement the proposed Price Determination Methodology for the co-optimized energy and reserve market in the WESM, subject to conditions.

The commencement of the full commercial operations of the reserve market occurred on January 26, 2024, pursuant to DOE Department Circular No. DC2023-09-0026, to optimize market and system operations, and to automate real-time dispatch of reserves. The ERC subsequently suspended the billing and settlement for the Price Determination Methodology (PDM) of the reserve market in March 2024 due to a significant increase in reserve costs, leading to the subsequent suspension of the reserves market. The ERC lifted the suspension of the Price Determination Methodology (PDM) of the reserve market in August 2024, enabling the full commercial operations of the reserve market to proceed.

On December 17, 2024, ERC issued A Resolution Setting the Interim Offer Price Cap and Floor Price as Mitigating Measures for the Trading Reserves in the Wholesale Electricity Spot Market (ERC Resolution No. 16, series of 2024), which set the Interim Offer Price Cap and Floor Price equivalent of ₱25,000/MWh and ₱/MWh, respectively, for the trading of Reserves in the WESM.

10. Policy on Optimal Utilization of the Kalayaan Pumped-Storage Power Plant

On April 16, 2025, the DOE published Department Circular No. DC2025-04-0006 entitled: *“Providing Specific Policy for the Optimal Utilization of Kalayaan Pumped-Storage Power Plant Phases I and II.”* The policy establishes the framework for optimal utilization of Kalayaan Pumped-Storage Power Plant (KPSPP) Phase I and II. Based on the policy, KPSPP will be compensated using its Available Capacity and a KPSPP Tariff will be subject of an application and to be determined by the ERC. The settlement to KPSPP will follow the collection

and payment allocation methodology under WESM Rules and Market Manual on Billing and Settlement. Cleanergy 9, the project company formed by the Thunder Consortium, is the transferee of the KPSPP.

11. Energy Efficiency and Conservation Act

Apart from prescribing efficient use of energy standards and labeling requirements for energy-consuming products, RA No. 11285 or the Energy Efficiency and Conservation Act (the “EE&C Act”) establishes certain obligations on the part of energy consumers who reach a certain annual energy consumption threshold (“Designated Establishments”). These obligations include, among others, reporting to the DOE of annual energy consumption, and energy consumption record keeping.

Other Department Circulars promulgated by the DOE in relation to the EE&C Act are as follows:

- (a) Department Circular No. DC2020-06-0015 *“Prescribing the Guidelines of the Philippine Energy Labeling Program (PELP) for Compliance of Importers, Manufacturers, Distributors and Dealers of Electrical Appliances and other Energy-Consuming Products (ECP)”*, which aims to empower consumers in choosing energy efficient products at the point of sale, help realize energy savings and reduction of energy consumption/bills through the use of energy efficient products; and reduce greenhouse gas emissions;
- (b) Department Circular No. DC2020-06-0016 *“Prescribing the Minimum Energy Performance for Products (MEPP) covered by the Philippine Energy Labeling Program (PELP) for Compliance of Importers, Manufacturers, Distributors, Dealers and Retailers of Energy-Consuming Products)”*, which aims to eliminate the entry and sale of inefficient and substandard products in the local market; and reduce greenhouse gas emissions;
- (c) Department Order No. 2020-01-0001 *“Organizing the Inter-Agency Energy Efficiency and Conservation Committee (IAEECC)”*, which created the IAEECC to evaluate and approve government energy efficiency projects and provide strategic direction in the implementation of the Government Energy Management Program (GEMP);
- (d) Department Circular No. DC2020-12-0026 *“Adoption of the Guidelines for Energy Conserving Design of Buildings”*, aims to encourage and promote the energy conserving design of buildings and their services to reduce the use of energy with due regard to the cost effectiveness, building function, and comfort, health, safety, and productivity of the occupants; and
- (e) Department Circular No. DC2021-05-0011 *“Guidelines for the Endorsement of Energy Efficient Projects to the Board of Investments for Fiscal Incentives”*, establishes the rules and procedures in the endorsement of energy efficiency projects to avail fiscal incentives from the BOI.

On January 27, 2023, the DOE posted the drafts of the National Energy Efficiency and Conservation Plan (NEECP) and EEC Roadmap. The NEECP is a national comprehensive framework and plan that institutionalizes energy efficiency and conservation (EE&C) in the country across key sectors. On the other hand, the EEC Roadmap 2023-2050 provides an updated outline of the strategic plans and actions for EE&C in the Philippines across all sectors, including implementing key provisions of the EE&C Act, and its accompanying Implementing Rules and Regulations. The Roadmap aligns with the NEECP as it provides for the key programs of energy efficiency and conservation by sector, for which emissions reduction targets and costing have been developed.

Additional Department Circulars promulgated by the DOE applicable to identified “Designated Establishments in the specific sectors of Commercial, Industrial and Transport” are the following:

- (a) Department Circular No. DC2023-12-0036 *“Reclassifying Designated Establishment in the Commercial Sector, Adjusting their Threshold, and Providing Compliance Guidelines Therefor Pursuant to the Energy Efficiency and Conservation Act”* establishes guidelines to comply with energy efficiency for the establishments identified for this sector;
- (b) Department Circular No. DC2023-12-0037 *“Reclassifying Designated Establishment in the Industrial Sector, Adjusting their Threshold, and Providing Compliance Guidelines Therefor Pursuant to the Energy Efficiency and Conservation Act”* establishes guidelines to comply with energy efficiency for the establishments identified for this sector; and
- (c) Department Circular No. DC2023-12-0038 *“Reclassifying Designated Establishment in the Transport Sector, Adjusting their Threshold, and Providing Compliance Guidelines Therefor Pursuant to the Energy*

Efficiency and Conservation Act” establishes guidelines to comply with energy efficiency for the establishments identified for this sector.

12. Energy Virtual One-Stop Act

The DOE already began the implementation of the EVOSS Online Platform, pursuant to RA No. 11234 or the Energy Virtual One-Stop Shop Act (“EVOSS Act”).

On June 5, 2020, the Department of Interior and Local Government (DILG)-DOE Joint Memorandum Circular 2020-01 or the Guidelines for LGUs to Facilitate the Implementation of Energy Projects was published. The Guidelines direct the streamlining by LGUs of their processes in issuing the necessary permits for energy-related projects, in accordance with the energy regulatory reforms provided in the EVOSS Law.

On July 2, 2021, former President Duterte created the Energy Virtual One-Stop Shop Task Group through Executive Order No. 143, to ensure the increasing operationalization of the EVOSS.

On October 31, 2023 the DOE released an Advisory that they will resume issuing Certificate of Energy Project of National Significance (CEPNS) and will promulgate guidelines 60 days after the Advisory takes effect. As of February 29, 2026, the mentioned guidelines have yet to be promulgated. AboitizPower continues to monitor for any developments on the EVOSS Act.

Currently, the EVOSS integrates two application processes in the ERC, which are: (a) approval of the point-to-point projects of generation facilities, and (b) approval of capital expenditure projects of distribution utilities.

13. Net Metering

The DOE promulgated Department Circular No. DC 2020-10-0022 or the Net Metering Program for Renewable Energy System, which aims to encourage and further promote electricity End-Users’ participation in the Net Metering Program by enhancing the current policies and commercial arrangements while ensuring the economic and technical viability of the distribution utility.

Pertinent provisions include:

- (a) Banking of Net-Metering Credits - All Net Metering Credits shall be banked for a maximum of one calendar year. Any excess of balance Net-Metering credits at the end of each calendar year shall be forfeited.
- (b) Application to Off-Grids or Isolated Grid Systems - The Net Metering Program for End-User shall be allowed even in areas not connected to the country’s three major national electrical transmission grids.
- (c) Publication of Hosting Capacities for Net-Metering - The Distribution Utilities shall publish in their website the respective Net-Metering programs, processes, and procedures, including hosting capacities on a per feeder or sector basis.
- (d) Responsibility of the LGUs - All LGUs are enjoined to strictly comply with the provisions of EVOSS Law, RA No. 11032 (Ease of Doing Business and Efficient Government Service Delivery Act of 2018) in processing permits and licenses related to applications for Net-Metering arrangements.
- (e) Responsibility of the National Electrification Administration (NEA) - The NEA shall provide the necessary assistance in promoting the Net-Metering Program to all electric cooperatives nationwide.
- (f) Development of Net Metering Guidebook - A guidebook on procedures and standards shall be developed by the DOE to be used by all stakeholders. The Renewable Energy Management Bureau shall prepare the Net Metering Guidebook, within six months from the effective date on this circular.

The foregoing Net Metering Program became effective on December 18, 2020. The Net Metering Guidebook was published on April 22, 2022.

On September 9, 2024, the DOE published and submitted to the Office of the National Administrative Register (ONAR) Department Circular No. DC2024-08-0025, *Prescribing Further Policies to Enhance the Net-Metering Program For Renewable Energy Systems Amending, for this Purpose, Department Circular (DC) No.*

DC2020-10-0022. In line with this, on January 12, 2025, the ERC invited the public to provide feedback on the draft resolution amending ERC Resolution No. 6, Series of 2019 or the *"Resolution Adopting the Amendments to the Rules Enabling the Net-Metering Program for Renewable Energy"*.

On August 27, 2025, the ERC issued Resolution No. 15, series of 2025 or the Amended Rules Enabling the Net-Metering Program for Renewable Energy. The resolution aims to update the net-metering rules to be consistent with the recent DOE issuance aimed at enhancing the program. Under the new rules, the distribution utility is entitled to the Renewable Energy Certificates (REC) from net-metering arrangements.

14. Reliability Performance Indices

On December 16, 2020, the ERC published on its website Resolution No. 10, Series of 2020, entitled *"A Resolution Adopting the Interim Reliability Performance Indices and Equivalent Outage Days Per Year of Generating Units"*.

This resolution aims to monitor the reliability performance of all Generating Units at operations and maintenance level; regularly determine and specify the reliability performance of the Grid; aid the power industry in evaluating reliability and availability of Generating Plants; and promote accountability of Generation Companies in order to achieve greater operation and economic efficiency. It applies to all Generation Companies with Conventional and Non-Variable Renewable Energy Generating Plants connected to the Grid, including Embedded Generating Plants, which have an aggregated capacity of 5MW and above. It includes the requirement for the System Operator and Transmission Network Provider to utilize the allowable planned outage days in Table 1 of the Resolution as a guide in preparing the Grid Operating and Maintenance Program. If the System Operator and Transmission Network Provider shall utilize unplanned outages beyond what is allowed in Table 1, the same shall provide a report as to the reason for such consideration as well as arrange the replacement.

ERC Resolution No. 10, Series of 2020 became effective on January 3, 2021.

On December 31, 2023, the ERC published in its website ERC Resolution No. 13, Series of 2021, entitled *"A Resolution Adopting the Rules for the Monitoring of Variable Renewable Energy (VRE) Generating Facilities Performance"* wherein the ERC sets reliability factors particular to wind plant and photovoltaic generation systems.

ERC has been actively issuing show cause orders to generation companies in the industry and AboitizPower anticipates the possibility of additional show cause orders for its Generation Companies. Efforts have been made to revise the reliability performance indices through a rule-making petition in the ERC entitled *"In the Matter of the Petition to Initiate Rule-Making for the Amendment of the Rules for the Interim Reliability Performance Indices and Equivalent Outage Days Per Year of Generating Units"* docketed as ERC Case No. 2022-003 RM. The Public Consultation for the rule-making petition was conducted in April 2022, and is currently pending before the ERC.

Another rule-making petition was filed entitled *"Proposed Rules for Reliability Performance and Equivalent Forced Outage Days per Year of Generating Units"* docketed as ERC Case No. 2023-001RM. Public consultations were scheduled on January 26, February 2, and February 9, 2024, but the industry is still awaiting the issuance of the rules.

Meanwhile, another rule-making petition was filed entitled *"In Re: Proposed Amendments to ERC Resolution No. 10, Series of 2020, Relative to the Petitions for Rule-Making Filed by CBK Power Company Limited (CBK) Under ERC Case No. 2022-003 RM and Philippine Independent Power Producers Association Inc. (PIPPA) under ERC Case No. 2023-001 RM"* docketed as ERC Case No. 2025-024 RM. The public consultations were held in January 2026. The proposed new rules highlighted, among others revisions to the allowable planned and unplanned outage days and inclusion of a new formula for computing the penalty for non-compliance with the Reliability Performance Rules. However, the industry is still awaiting the issuance of the new rules.

15. Prescribing Revised Guidelines for Qualified Third Party

In view of the Qualified Third Party (QTP) Guideline Policy, as of March 23, 2021, the ERC is working on its amendments to the 2006 Rules on the Regulation of Qualified Third Parties Performing Missionary Electrification in Areas Declared Unviable by the DOE.

Under RA No. 11646, or the Microgrid Systems Act, which became law on January 21, 2022, all QTPs providing alternative electric service pursuant to Section 59 of Republic Act No. 9136 are now known as microgrid system providers. On May 24, 2022, the DOE issued the Rules and Regulations to Implement Republic Act No. 11646, docketed as Department Circular No. DC2022-05-0017.

In 2023, the DOE conducted the first Micro Grid Service Provider Competitive Selection Process (MGSP-CSP) for eight unserved areas in the Provinces of Cebu, Quezon, and Palawan.

16. Promulgating the Renewable Energy Market (REM) Rules

On June 10, 2022, the DOE issued DOE Department Circular No. DC2022-06-0019, *Declaring the Interim Commercial Operations of the Renewable Energy Market*. The Circular provides a significant framework and mechanism for the commencement of the Renewable Energy Market (REM) Interim Commercial Operation (I-COP). The REM I-COP shall not yet involve any financial transactions, until such time that the Commercial Operation of the REM has been declared by the DOE. The DOE launched the I-COP REM on July 28, 2022 to begin validations of Renewable Energy Certificates (RECs) but no trading has commenced yet. Pending is the third component of the readiness criteria, specifically, the ERC Guidance on (a) REC Price Cap and Methodology, (b) Rules on Recovery Mechanism for the Cost of RPS Compliance, and (c) Structure and Level of Market Transaction Fees for REM.

On September 6, 2022, DOE DC2022-06-0026 entitled *“Adopting Amendments to the REM Rules (Provisions for the Submission of Data by the National Transmission Corporation to the Renewable Energy (RE) Registrar, Obligations of the REM Governance Committee (RGC) and Renewable Energy Certificate (REC) Issuance, and Additional Seats in the RGC for the Retail Electricity Suppliers and for Small REM Generators).”* took effect.

The DOE announced the full operation of the REM to commence on December 26, 2024.

On October 28, 2022, the DOE promulgated DC2022-09-0030, entitled *“Prescribing the Adjusted Annual Percentage Increment to be Imposed on all Mandated Participants of the Renewable Portfolio Standards for On-Grid Areas.”* This adjusted the Minimum Annual Incremental RE percentage (Km) from 1% to 2.52% as the increased requirement that Mandated Participants need to source or produce from RE resources.

On May 23, 2023, the DOE promulgated DC2023-05-0014, entitled *“Promulgating the Revised Rules and Guidelines Governing the Operationalization of the Renewable Portfolio Standards (RPS) for Off-Grid Areas Pursuant to Section 12 of the Renewable Energy Act of 2008”*.

On January 15, 2024, the PEMC posted an Advisory informing that RECs have been released until December 2022 and reminding REM Market Renewable Portfolio Standards (RPS) Mandated Participants to start surrendering RECs for compliance to 2020 RPS obligations pursuant to REM Rules 4.1.3 and to follow the Work Instructions that PEMC provided.

17. Feed-in-Tariff System

The ERC issued Resolution No. 16, Series of 2010, otherwise known as *“Resolution Adopting the Feed-In Tariff Rules”* (the “FIT Rules”) which establishes the FIT system and regulates the method of establishing and approving the FITs and the FIT-All.

In ERC Resolution No. 12, series of 2022, in order to mitigate the rising levels of inflation and cost of living, the ERC adopted a temporary suspension in the collection of FIT-All for a period starting December 2022 until the February 2023 billing months. Subsequently, on February 22, 2023, the ERC issued ERC Resolution No. 2, Series of 2023, extending the suspension of the collection of FIT-All for another six months, from March 2023

to August 2023 billing months, unless lifted earlier by the ERC through a separate resolution.

In ERC Resolution No. 14, Series of 2023, the ERC approved the FIT for Run-of-River Hydropower at the rate of ₱6.1110/kWh for eligible plants which qualified from January 1, 2020 to January 31, 2021, and thereafter an annual degression of 0.5% until the 250MW installation target is fully subscribed.

On January 16, 2024, ERC promulgated ERC Resolution No. 1, Series of 2024, lifting the suspension of the collection of FIT-All, and resuming the collection of FIT-All beginning February 2024 customer billing.

On February 19, 2025, the ERC approved a new rate of ₱0.1189 kWh for the FIT-All, which will take effect starting in March 2025. ERC then issued ERC Resolution No. 28, Series of 2025, which approved FIT adjustments for 2021 to 2025 for Wind, Biomass, Solar, and Run-of-River Hydro.

18. Revisions to the Guidelines for the Financial Standards of Generation Companies

On February 16, 2021, the ERC issued Resolution No. 03, Series of 2021, entitled "*A Resolution Adopting the Revised Guidelines for the Financial Capability Standards of Generation Companies*".

The Revised Financial Guidelines aim to set out the minimum financial standards of 1.25x Debt Service Capability Ratio ("DSCR") to ensure that generation companies meet these standards to protect the public interest as required under Section 43, b(ii) of the EPIRA and provided by Appendix 1, FS.A 1.3 of the PGC. A generation company failing to comply with the set financial standards shall submit to the ERC a program to comply within 60 days of receipt of an ERC directive.

19. Green Energy Auction Policy

On July 14, 2020, the DOE issued guidelines on the Green Energy Auction Policy (Department Circular No. DC 2020-07-0017) which set the framework for which the DOE shall facilitate the procurement of supply from RE projects by the mandated participants under the RPS on-grid rules through a competitive process for compliance with the RPS program and as applicable for their long-term power supply requirements. The process involves a regular auction process (notice every 15th of June) to be implemented by the Green Energy Auction Committee (GEAC). The Contracting Customers and the Winning Bidders will execute a Green Energy Implementation Agreement (GEIA), which involves the Market Operator (MO) as the entity to allocate energy and calculate corresponding payments. The ERC will approve the GEIA template and the Green Energy Auction Reserve (GEAR) Price. Each Winning Bidder will have its own Green Energy Tariff (pay-as-bid), which shall not be higher than the GEAR Price. On the other hand, the Contracting Customers will pay the average price, subject to the allocation/calculation of MO, per trading interval.

On November 3, 2021, the DOE issued DC2021-11-0036 providing the Revised GEAP Guidelines listing out the Green Energy Auction steps for the competitive selection process, adopting the FIT framework as the mechanism for RE compensation and introducing an Opt-In mechanism for the Mandated Participants.

The first round of GEAP was completed in June 2022. On January 11, 2023, the DOE posted a call for comments for the Opt-in Mechanism for GEAP.

On September 26, 2023, The DOE issued DC2023-09-0027 to clarify that the Green Energy Tariff of the Winning Bidder is considered as its FIT, and is not a separate and distinct charge against the FIT-All Fund.

On December 12, 2023, the DOE issued DC 2023-10-0029, providing specific auction policy and guidelines for Non-FIT-Eligible RE technologies in the GEAP.

The second round of GEA (GEA-2) was completed in 2023. The results of the third round of GEA (GEA-3) was completed in June 2025. The fourth round of GEA (GEA-4) was completed in November 2025. The DOE issued a Notice of Auction and Terms of Reference for the fifth round of GEA (GEA-5) last November 2025 and issued Supplemental Terms of Reference in January 2026. The industry is still awaiting when the auctions will be held. As regards the sixth round of GEA (GEA-6), the ERC has already conducted public consultations last February

2026 for the Preliminary Green Energy Auction Reserve Price for the sixth round for Pioneer Biomass Waste-to-Energy.

20. Green Energy Option Program

On August 16, 2021, the ERC promulgated Resolution No. 08 on the GEOP. The regulatory framework for GEOP sets the technical and interconnection standards and wheeling fees of Renewable Energy Generating Facilities. The GEOP is a mechanism that will provide end-users the option to choose RE resources as their sources of energy. The GEOP Rules seek to guide the key stakeholders on who may qualify to avail, how to be licensed to provide the connection and set the fundamental agreements on the details for switching services, special power provision, related rates, and settlement of fees.

The DOE posts an updated list of RE Suppliers under GEOP at its website to help inform consumers so they can exercise their options. The latest update was in February 2023.

On March 1, 2024, the DOE issued Department Circular No. DC2024-03-0009109, declaring March 26, 2024 as the commercial operations date of RCOA and GEOP in the Mindanao region.

On August 14, 2024, the ERC issued *A Resolution Adopting the Omnibus Rules for Customer Choice Programs in the Retail Market*, which consolidated the rules on RCOA and GEOP.

21. Retail Competition and Open Access

Through a Decision dated March 2, 2021, the Supreme Court acted on several petitions regarding the implementation of RCOA. These petitions were brought by Philippine Chamber of Commerce and Industry, Silliman University, and Batangas II Electric Cooperative (docketed as G.R. No. 228588, 229143, and 229453), among other petitioners and intervenors, against the DOE and the ERC. The Supreme Court struck down DOE Circular No. DC2015-06-0010, series of 2015, and ERC Resolutions No. 5, 10, 11, and 28, all series of 2016, primarily for mandating contestability and prohibiting distribution utilities from participating in the contestable market. It likewise directed the ERC to promulgate guidelines on the DOE's Department Circular Nos. DC2017-12-0013 and DC2017-12-0014 for being more aligned with the objective of the EPIRA to promote robust competition among retail electricity suppliers.

On March 1, 2024, the DOE issued Department Circular No. DC2024-03-0009109, declaring March 26, 2024 as the commercial operations date of RCOA and GEOP in the Mindanao region.

On August 14, 2024, the ERC issued *A Resolution Adopting the Omnibus Rules for Customer Choice Programs in the Retail Market*, which consolidated the rules on RCOA and GEOP.

22. The Open Access Transmission Service (OATS) Rules

The Open Access Transmission Service (OATS) Rules describe the requirements and services provided by the Transmission Network Provider (TNP) that operates the high voltage backbone transmission system. The OATS Rules outline the responsibilities of the TNP and the functions of the System Operator (SO) as specified in the PGC and the WESM Rules. It also sets out the responsibilities accepted by transmission customers as a condition of receiving the services. The OATS Rules aims to ensure the development of an appropriate, equitable and transparent electricity market, along with the safe, reliable, and efficient operation of the power system.

On June 9, 2022, the ERC published the 2022 Edition of the OATS, which was approved and adopted through ERC Resolution No. 03, series of 2022. AboitizPower continues to monitor for any developments on the OATS Rules.

23. Amendments to the Public Service Act

Commonwealth Act No. 146, otherwise known as the Public Service Act, is a law governing the regulation of

public services, which originally included “electric light, heat and power”. On March 21, 2022, former President Duterte approved the amendments to the Public Service Act. The new law, RA No. 11659, included amendments to the classification of certain public services as public utilities, which included both the distribution and transmission of electricity. The amendments also provided for revisions in the regulatory authorities of administrative agencies, but also provided that nothing in the Public Service Act shall be construed as amending or repealing laws and administrative regulations deregulating or delisting services, industries and/or rates.

24. Retail Aggregation

On June 24, 2022, the ERC published on its website ERC Resolution No. 04, Series of 2022, entitled “*A Resolution Adopting the Rules for the Electric Retail Aggregation Program*”. The Retail Aggregation Rules establish standardized rules and procedures governing the aggregation of electricity requirements of End-users in the CREM and prescribing and clarifying the requirements, conditions, eligibility, qualifications, and disqualifications of participants and the Aggregator in the Retail Aggregation Program. The rules on aggregation were consolidated in ERC Resolution No. 13, series of 2024, entitled *A Resolution Adopting the Omnibus Rules for Customer Choice Programs in the Retail Market*.

25. Distributed Energy Resource

On November 29, 2022, the ERC published ERC Resolution No. 11, Series of 2022, entitled “*A Resolution Adopting the Rules Governing Distributed Energy Resources (DER)*”. The DER Rules establish the procedure for securing the appropriate license prior to operations, commercial arrangements that DERs may enter into for the energy it produces, pricing methodologies, reduction of contracted energy volumes, payment of subsidies, interconnection standards, reportorial requirements, and imposition of penalties for failure to comply with the terms and conditions of the DENR’s Certificate of Compliance (COC).

26. Pass Through Charges

On December 19, 2022, the ERC published ERC Resolution No. 14, Series of 2022, entitled “*A Resolution Adopting the Revised Rules Governing the Automatic Cost Adjustment and True-up Mechanisms and Corresponding Confirmation Process for Distribution Utilities*”, which aims to push for a more transparent collection of pass-through costs or charges by distribution utilities. Among the revisions is the creation of a Restricted Fund by the distribution utilities where over-collections are maintained and earmarked for repayment to customers in subsequent billing months, effectively providing more timely refunds to end-users.

(xii) Amount Spent on Research and Development Activities

AboitizPower and its Subsidiaries do not allot specific amounts or fixed percentages for research and development. All research and development activities are done by AboitizPower’s Subsidiaries and Affiliates on a per project basis. The allocation for such activities may vary depending on the nature of the project.

(xiii) Costs and Effects of Compliance with Environmental Laws

AboitizPower’s generation and distribution operations are subject to extensive, evolving, and increasingly stringent safety, health, and environmental laws and regulations. These laws and regulations address concerns relating to: (a) air quality and greenhouse gas (GHG) emissions; (b) wastewater discharges; (c) the generation, handling, storage, transportation, treatment, and disposal of toxic or hazardous chemicals, materials, and wastes; (d) workplace conditions; and (e) employee’s exposure to hazardous substances.

In this regard, the Company operates in compliance with applicable Philippine environmental and occupational safety laws, including the Clean Air Act (RA No. 8749), Ecological Solid Waste Management Act (RA No. 9003), Clean Water Act (RA No. 9275), Toxic Substances and Hazardous and Nuclear Wastes Control Act (RA No. 6969), Philippine Environmental Impact Statement System (PD No. 1586), and Occupational Safety and Health Standards (RA No. 11058). The Company likewise complies with the Renewable Energy Act of 2008 (RA 9513) and other sector-specific regulations. Its generation facilities are subject to DOE Energy Regulation

No. 1-94 requiring the allocation of ₱0.01 per kWh of electricity sales for host community development, including electrification, livelihood, and reforestation and watershed management programs. Projects operate pursuant to Environmental Compliance Certificates issued by the DENR, which impose project-specific environmental management, monitoring, and reporting obligations.

The Safety, Health, Environment and Security (SHES) group of AboitizPower provides centralized oversight of SHES programs and initiatives across all areas under its operational control—from the corporate center to Business Groups and facility-level teams. The accounting and management of environmental impacts are undertaken at the Business Group level. The Renewables Business Group operates geothermal, hydroelectric, and solar power facilities nationwide, while the Transition Business Group manages oil- and coal-fired power plants. The Distribution Business Group oversees the distribution utilities and economic zone utilities serving franchise areas and industrial estates. Each Business Group maintains its own organization responsible for implementing and managing Environmental Management programs at the operational level, ensuring clear accountability while remaining aligned with enterprise-wide SHES policies, controls, monitoring, and reporting requirements.

AboitizPower and its Subsidiaries have allocated budgets for environmental expenditures covering costs for waste disposal, remediation, pollution control, and environmental initiatives and programs that support climate strategies along with its impact. All facilities are in compliance with regulatory requirements, thus noting zero spending for remediation costs.

AboitizPower continues to maintain a high level of certification across its Power Generation and Distribution Business Groups under key international management system standards. For ISO 9001:2015 (Quality Management Systems), the Company has achieved 88% certification coverage for both the Generation and Distribution Business Groups. Under ISO 45001:2018 (Occupational Health and Safety Management Systems), the Generation Business Group has reached 96% certification, while the Distribution Business Groups stands at 88%, reflecting strong and sustained focus on occupational health and safety. For ISO 14001:2015 (Environmental Management Systems), both Business Groups maintain 88% certification coverage.

In 2025, AboitizPower's commitment to continuous improvement in managing environmental impacts is evident in its total environmental management operating expense (OpEx) at ₱84.1 mn and environment-related capital expenditure (CapEx) of ₱0.40 mn. This consists of ₱27.1 mn for the Renewables Group, ₱53.3 mn for the Transition Business Group, and ₱4.1 mn for the Distribution Utilities. The distribution of the total expenses for OpEx and CapEx are 52% for internal initiatives and programs including compliance monitoring, and 33% for External initiatives. CapEx was incurred for the installation of communication infrastructure to support operational connectivity. This investment enhances system reliability and supports improved environmental monitoring and control processes.

AboitizPower exceeds basic adherence to environmental standards by proactively endorsing various environmental activities. The Company engages in initiatives such as Adopt an *Estero*/Waterbody and maintains its support to the Continuous Ambient Air Monitoring System to the Environmental Management Bureau (EMB) of the DENR. In 2024, AboitizPower participated in 93 environmental initiatives, facilitating the planting of 315,555 trees across approximately 214 hectares with the support of nearly 2,776 volunteers. The Company facilitated and supported 95 coastal and river clean-up initiatives, leading to the collection of approximately 31,580 kg. of waste and the engagement of 5,526 volunteers.

In 2025 and until February 28, 2026, the Company and its Subsidiaries garnered 45 distinctions, consisting of 18 awards and 27 citations and recognitions across international, national, regional, and city/municipal levels. The two international recognitions are: (i) the Bronze Award for Leaders of Sustainability and Corporate Social Responsibility (CSR) conferred on Visayan Electric; and (ii) the ASEAN OSHNET Excellence Award granted to the Tiwi Geothermal Plant. National distinctions include: (i) Outstanding Corporate Safety and Health Excellence (DOE-SHAPES), Titanium and Platinum Awards received by the Tiwi Geothermal Plant, Ambuklao HEPP, Magat Plant, and Maris Plant; and (ii) the KAPAKANAN Award conferred on Cotabato Light and TMI Mobile 1. Regional and local awards were likewise granted to facilities including TVI, TSI, TMI Mobile 2, and SN Aboitiz Power-Magat Group for excellence in safety performance, environmental stewardship, emergency preparedness, and industry partnership. In addition, AboitizPower received 27 citations and recognitions from various government agencies, regulatory bodies, LGUs, and partner institutions, including

acknowledgment of active participation in the 2025 National Simultaneous Earthquake Drills, compliance with environmental and labor regulations, support for coastal clean-ups and tree-growing initiatives, disaster risk reduction programs, humanitarian assistance, fire prevention activities, and the adoption of innovative environmental practices. Collectively, these awards and citations underscore AboitizPower's sustained commitment to occupational safety and health, regulatory compliance, environmental responsibility, disaster preparedness, and strong stakeholder collaboration across its nationwide operations.

In 2025, AboitizPower and its Subsidiaries did not incur any major sanctions for violation of environmental standards and laws. AboitizPower continues to be cognizant of new opportunities to comply with regulatory requirements and improvement of systems to promote safety and prevent adverse impacts to the environment or affected ecosystems.

(xiv) Employees

At the parent company level, AboitizPower had a total of 600 employees as of February 28, 2026. This figure includes executives, managers, supervisory, and rank-and-file staff employees. There is no Collective Bargaining Agreement (CBA) covering AboitizPower employees.

The following table provides a breakdown of total employee headcount on a per business group basis, according to employees' function, as of February 28, 2025:

Business Group	Number of Employees					Unionized Employees	Expiry of CBA
	Total	Executives	Managers	Supervisors	Rank & File		
Aboitiz Power	600	117	156	135	192	0	N/A
Generation Companies							
Run-of-River Hydros	411	10	31	56	314	76	September 19, 2028 (Hedcor)
Large Hydros	65	3	9	32	21	0	N/A
Geothermal	269	10	32	57	170	0	N/A
Solar	9	0	3	2	4	0	N/A
Oil	292	6	32	75	179	0	N/A
Coal	1,940	73	189	545	1,133	0	N/A
RES	6	0	1	1	4	0	N/A
Distribution Utilities	917	15	80	154	668	332	December 31, 2026 (Visayan Electric) June 30, 2029 (Cotabato Light) June 16, 2026 (Davao Light) May 9, 2030 (SFELAPCO)
Total No. of Employees	4,509	234	533	1,057	2,685	408	

The Company does not anticipate any significant increase in manpower within the next twelve months unless new development projects and acquisitions would materially require an increase.

(xv) Major Risk/s Involved in the Business

An integral part of AboitizPower's Enterprise Risk Management (ERM) process is to anticipate, understand, and mitigate the risks that the Company may encounter in its generation, distribution, and retail electricity supply businesses.

Risk management is integrated in the Company's strategic and operational planning and decision-making processes to support intelligent and informed risk-taking. In addition, the Company develops comprehensive key risk treatment plans to address the drivers of its top risks, as well as emerging risks that may also significantly impact its business and stakeholders. AboitizPower's ERM framework ensures sustainable growth by proactively managing risks through three key pillars: (1) **Business Risk & Planning (BRP)** for risk identification and mitigation; (2) **Business Continuity Management (BCM)** for operational resilience; and (3) **Risk Finance (RF)** for managing insurable risks. Integrated into organizational planning, the framework incorporates Environmental, Social, and Governance (ESG) considerations, business continuity, and risk transfer strategies, continuously strengthening the Company's risk resilience.

Risk management planning in Aboitiz Power is an iterative process that is conducted at least semi-annually for strategic risks. Most of the top or strategic risks that are captured at the corporate or AboitizPower level originated from those identified by the Management Committee and reported by the Corporate Support and Business Units. Business Units review operational risks and implement mitigation measures as part of day-to-day operations. Thus, AboitizPower captures risks through both a top-down and bottoms up approach. At the end of every review period, strategic and emerging risks are reported to the highest management committee and the Board Risk and Reputation Management Committee (BRRMC). The BRRMC represents the members of the AboitizPower Board of Directors in discharging its responsibility relating to all risk management related matters across the Company.

The results of the risk assessment are evaluated against an established risk appetite and risk tolerance framework to determine whether exposures remain within acceptable boundaries. This calibration process provides a clearer view of where risks are aligned with strategic objectives and where they may exceed defined thresholds. By stress-testing key risk scenarios against these parameters, management gains deeper insight into potential financial, operational, and reputational impacts.

Following the completion of the end-2025 strategic risk consolidation at AboitizPower, the following top or strategic risks have been identified and reported to the senior management executives:

1. Energy Transition

Investments are at risk if these are not able to sustain a viable economic return due to a combination of technology, regulatory, and/or market changes. Among these changes, ESG strategies continue to be the trend in the global community where investors are seeking to mitigate exposure to fossil-based fuel and diversifying portfolios to expand renewable energy capacity. In the event that future laws or contracts are enacted imposing restrictions on operations and refinancing, particularly in relation to power plants utilizing fossil fuels, certain capital expenditures or operating expenses or financing costs may not be fully recoverable.

The multi-sectoral negative action against coal has led many financial institutions to restrict investments in coal businesses and projects. The Company considers the following as important considerations for the existing portfolio and strategic project pipeline:

- a. Compliance challenges arise from evolving policies such as the Natural Gas Industry Bill, Low Carbon Economy Bill, the Climate Accountability Act (CLIMA Act), and Energy Transition Legislations, which could impose restrictions on fossil fuel operations, financing, and future contracts;
- b. Stricter Mass Emission Rate Standards (MERS) introduce additional regulatory requirements, impacting coal plant operations and compliance costs;
- c. Insurers continue to align their coal underwriting and investment policies with global sustainability and ESG trends and recovery strategies from natural catastrophe loss claims and worsening global loss ratios, resulting in higher premiums and limited capacity;

- d. Financing and refinancing risks in terms of the Company's inability to borrow money to fund future projects due to current investments in coal. While banks are still willing to lend, the cost of project financing could be potentially be less competitive;
- e. Withdrawal of technical support by critical contractors and suppliers from construction and/or maintenance thermal power plants in line with global trends on sustainability; and
- f. While price movements remain a key exposure for fuel (coal and oil) procurement, physical availability of supply may also be affected by pressures on the continued operation of coal mines, trade restrictions, or disruptions in key supplier countries such as Indonesia.

The Philippines is a party to the 2015 Paris Agreement signed by almost 200 nations. The Paris Agreement aims to keep the increase in global average temperature to well below 2°C above pre-industrial levels and to limit the increase to 1.5°C, since this would substantially reduce the risks and effects of climate change. As a party to the agreement, the Philippines may impose more stringent regulations, particularly on coal-fired power plant emissions, requiring expensive pollution controls on coal-fired power plants, among other measures. These measures may significantly increase costs of coal-fired power plants and, at the same time, increase the cost competitiveness of renewable energy.

The Renewable Portfolio Standards IRR also mandates electric power industry participants (such as generation companies, distribution utilities, and electric cooperatives) to source or produce a portion of their electricity requirements from eligible renewable energy resources and undertake CSPs in sourcing renewable energy. Although unlikely, a significant portion of the captive market may shift away from coal and other hydrocarbon fuels, which may expose the coal-fired power plants of the Company to stranded-asset risk (i.e., hazard of an asset suffering from an unanticipated write-down, devaluation, or conversion to liability).

The Company also continues to strengthen initiatives that support regulatory compliance and stakeholder confidence by strictly adhering to applicable environmental regulations and integrating environmental data and stakeholder consultations into decision-making. These are supported by initiatives such as the Continuous Air Quality Monitoring System (CAQMS), Community Health Impact Assessment (CHIA), and the Coastal Resource Management Plan (CRMP). In parallel, the Company supports sustainable mobility through its Electric Vehicle (EV) fleet transformation program launched in 2023, targeting the electrification of 40% of its four-wheeled vehicles and motorbikes by 2030 and the full electrification of its Distribution Utility fleets by 2040 (including Visayan Electric, Davao Light, and Cotabato Light), while piloting B2B EV battery swap solutions through 1882 Energy Ventures. The Company also continues to enhance waste management and reduction programs across sites, including the Building Resilient Infrastructure and Communities with Kaibigans ("B.R.I.C.K.") initiative, which upcycles fly ash and plastic waste into eco-bricks and pavers in partnership with local government units following a circular economy model, complemented by CSR and conservation programs covering reforestation, livelihood support, and marine biodiversity initiatives in host and impact communities.

As a validation to AboitizPower's ESG commitment to risk and crisis management, in the 2025 S&P Global Corporate Sustainability Assessment, AboitizPower was ranked 13th in the global ranking for risk and crisis management performance among 245 rated global companies, ranked 6th in Asia-Pacific, and is highest ranked among rated Philippine companies within the same industry. Good risk management is one of the ways that AboitizPower supports its ESG performance in particular in the area of governance.

Despite the operational and policy challenges facing fossil-based energy sources, AboitizPower remains aligned with the Philippine Energy Plan and its long-term energy transition pathway. The Company will progressively increase the share of renewable energy in its portfolio while maintaining an energy mix that safeguards grid reliability and ensures electricity remains affordable and accessible to consumers.

2. Country Concentration

Substantially all of AboitizPower's operations and assets are based in the Philippines and, therefore, a slowdown in economic growth in the Philippines could materially and adversely affect the Company's business, financial position, and results of operations. Demand for its products and services are all directly related to the strength of the Philippine economy (including its overall growth and income levels), and the

overall levels of business activity in the Philippines. AboitizPower remains committed to sustainable growth and operational excellence by proactively managing risks associated with geographical concentration.

In support of its disciplined growth strategy and portfolio balancing objectives, AboitizPower is pursuing expansion initiatives in different territories outside of the Philippines. These investments introduce measured exposure to economic, regulatory, legal, and operating conditions of other countries. These include changes in energy policy, foreign investment regulations, taxation, currency movements, market structures, and plant operating performance. As with any cross-border investment, developments in these areas may affect the Company's business, financial condition, cash flows, and results of operations. The Company will apply its established governance, risk management, and oversight frameworks to monitor and manage these exposures appropriately.

3. Regulatory

The electric power industry is characterized by a constantly evolving regulatory environment. Any shortcoming in regulatory compliance poses negative consequences in both the net income and reputation of each Business Unit and the Group. Further, the Company's results of operations and cash flow could be adversely affected by the inability to predict, influence, or respond appropriately to changes in law or regulations, including any inability or delay in obtaining expected or contracted increases in electricity tariff rates or tariff adjustments for increased expenses, or any inability or delay in obtaining or renewing permits for any facilities, could adversely impact results of operations and cash flow. The Company's business could also be adversely affected by any changes in laws or regulations, or changes in the application or interpretation of laws or regulations in jurisdictions where power projects are located, could adversely affect the Company's business, including, but not limited to:

- a. Adverse changes in tax laws, including misinterpretation of statutory incentives granted to developers;
- b. Changes in the timing of tariff increases or in the calculation of tariff incentives;
- c. Change in existing subsidies and other changes in the regulatory determinations under the relevant concessions or grants;
- d. Other changes related to licensing or permitting which increase capital or operating costs or otherwise affect the ability to conduct business, affecting both the generation and distribution utility business;
- e. Other changes driven by upward adjustments in mandatory remittances to host communities and LGUs which may increase compliance obligations and operating costs;
- f. Other changes that have retroactive effect and/or take account of revenues previously received and expose power projects to additional compliance costs or interfere with our existing financial and business planning; or
- g. Other changes in the performance based regulations affecting the return of capital investments in the future.

Any of the above events may result in lower margins for the affected businesses, which could adversely affect AboitizPower's business competitiveness.

To anticipate and proactively respond to changes in regulations, the Regulatory Affairs and External Relations teams of AboitizPower constantly collaborate with the DOE, ERC, and other relevant stakeholders to work towards a sound and sustainable regulatory and policy environment. Similarly, AboitizPower's SHES team keeps abreast with environmental laws and coordinates with the DENR to ensure full compliance and responsible environmental stewardship

These teams, among others, actively participate in consultative processes and public consultations to provide feedback and positions on proposed laws and regulations. The Company's participation likewise ensures that its interpretation of such laws and regulations is aligned with the regulators. This is done in cooperation with organized power industry groups such as the Philippine Independent Power Producers Association (PIPPA) and Philippine Electric Plant Owners Association (PEPOA). Regular dialogues are conducted with host communities, media, non-government organizations, and the academe, to educate and update various groups about the power industry.

4. Operations

The loss of, and/or damage to, facilities caused by natural calamities such as earthquakes, typhoons, and floods may result in significant business interruptions within AboitizPower. Interruptions may also be caused by other factors such as critical equipment breakdown, Information Technology (IT) and Operational Technology (OT) security breaches, fires and explosions, hazardous waste spills, workplace injuries and fatalities, terrorism, and other serious risks. To strengthen resilience against these operational risks, AboitizPower continues to enhance critical infrastructure protection measures designed to safeguard assets, strengthen resilience, and support uninterrupted operations. The Company likewise continues to implement integrated asset protection measures, including hydrological defense (flood and rainfall controls), structural resilience and safety standards compliance (including seismic integrity and relevant code compliance), and governance and asset preservation practices supported by dedicated engineering oversight and targeted validation. A natural catastrophe resilience framework is currently being rolled out to provide a structured approach to mitigate physical risks of climate change to the business.

Planned maintenance and overall outage management of AboitizPower's generation facilities and its critical equipment and OT infrastructure and systems are governed by asset management standards based on global best practices. In support of this, the Company continues to advance its Asset Care Strategy through data-driven decision-making, condition-based monitoring, and continuous improvement loops to reduce unplanned downtime and safely extend operations. Threats to generation and machinery breakdown risk management plans are continually monitored and updated by operations and maintenance teams to effectively mitigate the impact of unplanned or forced outages. Distribution network availability and reliability targets have consistently been aligned with the performance-based standards set by the ERC.

All Business Units have also achieved OSHAS 18001 certification, an international standard which is focused on controlling occupational health and safety hazards. AboitizPower companies are also transitioning to the ISO 45001 standard to drive a risk-based culture with more proactive approaches toward mitigating risks before they happen. To further reinforce industrial fire safety, an annual in-house training program on Fixed Fire Fighting Systems of the U.S. National Fire Protection Association is conducted for operations, maintenance, and safety personnel.

The AboitizPower Business Units regularly undertake a comprehensive development, review, updating, implementation, testing, and improvement of their Business Continuity Processes (BCPs). This dynamic approach ensures that the plans remain relevant to current business conditions and effectively address the uncertainties and challenges faced by the Company. Some of these key enhancements include: (a) site-specific threat assessment; (b) typhoon preparedness; (c) regular emergency drills and simulation exercises on various scenarios related to other natural and man-made calamities; and (d) post-event evaluations to ensure that employees are able to respond effectively and safely as planned. To further strengthen anticipatory risk management, the Company is enhancing its capabilities by shifting from reactive response to more data-driven risk intelligence, supported by the integration of technologies such as Artificial Intelligence (AI).

As part of its continuous improvement efforts, AboitizPower is exploring the expansion of business continuity strategies on a geographic regional scale. This approach seeks to enhance coordination among several plants, fostering a more synchronized and efficient response to potential disruptions as aligned to the DOE Energy Resilience Plan. These initiatives are complemented by continued investments in resilience solutions that support risk assessment and prevention for natural hazards through improved hazard detection, simulation, and monitoring.

Furthermore, to elevate the existing BCM framework and practices, AboitizPower has transitioned from a scenario-based approach to an impact-based approach. This shift aims to achieve organizational resilience by prioritizing the understanding and management of potential impacts on the business, ensuring a more comprehensive, adaptive and robust response to a variety of disruptive events. Such improvements help strengthen operational reliability, enhance safety and environmental protection, and support cost and resource optimization through more targeted prevention and planning.

AboitizPower has established group insurance programs that leverage the Company's portfolio of generation and distribution assets, supported by robust risk modeling and quantification techniques, which are subjected to regular periodic reviews. The Company is committed to ensuring that its Business Units have the most suitable insurance solutions in place, striking the optimal balance between retaining and transferring risks while effectively managing the Total Cost of Insurable Risk. As such, the Company procures business interruption insurance to safeguard against potential losses in gross profits resulting from significant damage to critical plant assets. The Company is undertaking a major initiative to explore alternative risk transfer strategies. This includes efforts to optimize loss indemnity and risk retention, aligning with the Company's goal to enhance the efficiency and effectiveness of its risk management practices. By proactively managing risk through insurance solutions and exploring innovative risk transfer strategies, AboitizPower aims to strengthen its resilience against potential financial losses and disruptions, thereby ensuring the continuity and sustainability of its operation while preserving business competitiveness.

5. Commercial

AboitizPower is exposed to fluctuations in electricity spot market prices, which are influenced by supply and demand conditions, fuel costs, system outages, weather patterns, and regulatory developments. When a portion of generation output is sold into the spot market rather than under long-term contracts, revenues and margins may vary depending on prevailing market prices. Periods of oversupply or softer demand can lead to lower clearing prices, which may adversely affect financial performance.

Market outlook over the next several years suggests potential volatility, particularly as additional generation capacity enters the system. Increased supply, including renewable energy additions, may place downward pressure on spot prices in certain periods. As a result, actual market prices may differ from planning assumptions, creating variability in earnings relative to budget expectations.

The Company adopts a conservative and disciplined approach in managing this exposure. It actively reviews market trends and adjusts its contracting strategy to maintain an appropriate balance between contracted and merchant sales. By securing longer-term customer arrangements and calibrating contract levels based on forward market conditions, the Company aims to stabilize cash flows while retaining flexibility to optimize its portfolio.

Although spot market exposure remains an inherent feature of participation in a competitive power market, management continues to monitor developments closely and implement prudent contracting and risk management measures to mitigate potential downside impacts on the Company's business, financial condition, and results of operations.

6. Transmission

AboitizPower recognizes the importance of a reliable and efficient transmission infrastructure in ensuring the uninterrupted delivery of electricity to its customers. Delays in transmission projects, grid congestion, and reliance on System Integrity Protection Schemes (SIPS) pose potential challenges, which the Company proactively addresses through strategic planning and industry collaboration.

As the Philippines accelerates toward its renewable energy targets of 35% by 2030 and 50% by 2040, the risk profile shifts from building capacity to integrating it. This creates the risk of congestion, curtailment, and delayed transmission readiness, which could materially affect plant utilization, revenue stability, and return assumptions. Early warning signs would include increasing curtailment levels, lengthening interconnection queues, repeated commercial operation date slippages linked to grid readiness, and rising system balancing costs as variable renewable penetration deepens.

To mitigate curtailment risks, AboitizPower aligns its project development timelines with the DOE-approved Transmission Development Plan (TDP), ensuring that new generation projects are strategically positioned in areas where grid capacity is planned for expansion. The company actively advocates for the implementation of third-party transmission development, supporting government initiatives to accelerate

critical infrastructure projects. Further, AboitizPower works closely with NGCP to enhance SIPS protocols, strengthening grid reliability. By fostering strong collaboration with regulators and grid operators, AboitizPower is committed to ensuring grid stability, minimizing generation curtailment, and optimizing the efficiency of its power assets.

7. Cyber and Information Security

AboitizPower acknowledges the risks associated with global information security breaches, the rising frequency of industry driven cyberattacks, and the growing complexities posed by digital transformations. Management also recognizes the imperative to address information security threats to both prevent targeted and non-targeted attacks which can adversely disrupt business operations, impact customer services, and affect the Company's financial stability and reputation.

AboitizPower continues to enhance its protection measures to secure both its OT and IT environments from potential cyber threats. Specifically, within the realm of Operational Technology, the Power Generation and Distribution Utilities Business Groups of the Company have implemented the implementation of a standardized, Company-wide Operational Technology (OT) Security Minimum Standard. These initiatives reflect a dedicated commitment to establish consistent and robust security measures across the organization's operational technology infrastructure.

The Company aligns its practices with a Cyber Security Program, specific governance frameworks, standards, training and culture-building, and OT Security projects. To further strengthen this approach, the Company is reinforcing a Cyber Risk Management Framework (CRMF) that supports informed, risk-based decision-making by balancing security requirements with business objectives and mission priorities. Effective implementation of the CRMF requires appropriate organizational readiness, data quality, and stakeholder capability, and leverages recognized references such as National Institute of Standards and Technology (NIST) Cybersecurity Framework 2.0 (including its "Govern" function to strengthen oversight, role clarity, and risk strategy alignment), the Factor Analysis of Information Risk (FAIR) Model for structured analysis of risk frequency and loss magnitude, and MITRE ATT&CK to inform threat modeling based on observed adversary tactics and techniques. This elevates cybersecurity from a purely technical function to a strategic business enabler that enhances organizational resilience and stakeholder confidence. Its Information Security Management System (ISMS) remains central to AboitizPower's Cyber Security strategy for IT systems and will continue to be embedded in all three fundamental pillars of Information and Operational Systems Security, namely, People, Process, and Technology. By embedding cybersecurity principles within these pillars, AboitizPower aims to fortify its defenses and ensure a holistic and resilient cybersecurity framework.

Further, AboitizPower has achieved successful implementation of various security measures. These include the deployment of Continuous Threat Detection (CTD), network segmentation, , firewalls, critical endpoint protection, and Secure Remote Access (SRA), among other security measures. These proactive steps underscore the organization's dedication to maintaining a resilient cybersecurity posture and safeguarding its systems and data against emerging threats in the digital landscape.

To fortify its defenses, AboitizPower has successfully implemented several security measures, including the deployment of CTD to proactively monitor and mitigate cyber threats, network segmentation, firewalls, and critical endpoint protection to safeguard against potential intrusions, and SRA for controlled and secure connectivity.

In pursuit of attaining Level 4 in Cyber Security Maturity and fostering an information security risk-aware culture, the Company has implemented robust BCPs specifically designed for potential loss-of-technology scenarios. These plans are not only established but are also subjected to annual testing, thorough reviews, and continuous improvement processes. Simultaneously, a comprehensive Cyber-Security Incident Management Plan is in progress, highlighting the organization's commitment to effectively respond to cyber threats.

To further enhance its cybersecurity resilience, AboitizPower has developed a Cyber Incident Response Playbook to ensure a structured and swift response to cyber incidents. A security awareness program has

been launched to improve staff readiness, supported by the deployment of a Third-Party Risk Assessment Platform to assess vendor and partner security vulnerabilities. Initiatives to improve Asset Discovery and Visibility are also being strengthened to enhance monitoring and control over IT and OT assets. The hardening of cloud infrastructure and operating systems further enhances system resilience, while continuous threat detection systems actively monitor for malicious activity. AboitizPower has also improved its Managed Detection and Response (MDR) services to enhance threat response capabilities. Security audits and penetration testing are regularly conducted to proactively identify and address security gaps.

8. Supply Chain

AboitizPower recognizes that a resilient supply chain is essential to ensuring the reliability and efficiency of its power generation and distribution assets. The increasing complexity of global supply networks, coupled with geopolitical uncertainties, economic volatility, and climate-related disruptions, underscores the need for a proactive approach to supply chain risk management. Without effective mitigation strategies, disruptions could lead to forced outages, financial losses, and operational instability.

To safeguard against potential supply disruptions, AboitizPower actively engages in continuous stakeholder planning and collaboration with critical vendors. Strengthening supplier relationships and ensuring business continuity remain key priorities. The company has also established a reverse engineering policy to enhance self-reliance in maintaining critical equipment and reducing dependency on external suppliers. An organized category management team within business groups optimizes procurement strategies, while benchmarking, co-opetition, and alternative sourcing initiatives enhance supply chain flexibility. Contracting alternative vendors further secures critical supply availability, while the implementation of the China market strategy diversifies sourcing beyond a single market. Additionally, to strengthen project execution capabilities, the Company is prequalifying EPC contractors across Asia.

Ensuring a stable fuel supply remains a key priority, particularly in the face of potential disruptions that could impact power generation reliability and cost efficiency. AboitizPower is committed to diversifying fuel sources to enhance operational flexibility and reduce reliance on a single energy supply. The Company is also expanding its pricing mechanisms by increasing exposure to multiple price indices to better manage fuel cost fluctuations. Insurance coverage has been secured for fuel stock to safeguard against unexpected supply chain disruptions. Additionally, a Playbook for Alternative Coal Sourcing has been developed to ensure structured approaches in securing alternative coal supplies when needed.

AboitizPower continuously enhances its strategic sourcing and contract management capabilities through a structured category-based procurement plan, long-term and enabling contracting, and strengthened stakeholder engagement. Addressing contract ambiguity remains a priority to prevent disputes and delays in supply agreements. Supply chain resilience planning is also reinforced through the development of a forced outage playbook, utilization of market intelligence, improved outage planning and logistics support, and enhanced annual replenishment planning. Ensuring the availability of critical spare parts and optimizing category management further strengthen operational continuity.

In line with its long-term vision, AboitizPower integrates sustainability and compliance into its supply chain practices. The creation of an ESG roadmap ensures that procurement strategies align with ESG principles, while ongoing safety initiatives reinforce responsible sourcing and risk mitigation.

By implementing these comprehensive strategies, AboitizPower continues to strengthen its supply chain resilience, ensuring the uninterrupted availability of critical resources and maintaining operational excellence amid evolving global challenges.

9. Reputation

AboitizPower recognizes that its reputation is one of its most valuable assets, a competitive advantage that allows the Company to earn, maintain, and strengthen the trust of its stakeholders. The Company knows that its reputation today took generations to build and sustain; hence, the need to protect and enhance it progressively is imperative.

In today's operating environment, characterized by increasing corporate governance standards, heightened public consciousness due to social media, and greater scrutiny from key stakeholders, reputation risks remain a significant concern. This risk can arise from negative publicity, ethical breaches, regulatory penalties, or operational failures, impacting the Company's standing and stakeholder trust.

AboitizPower continues to strengthen stakeholder engagement activities with all its stakeholders, including its customers, employees, shareholders, lenders and insurers, regulators, host communities, and LGUs.

The Company's recent Corporate Sustainability Assessment by the highly regarded S&P Global has shown a slight improvement in AboitizPower's ESG performance. The Company's score was unchanged at 50/100 in the 2025 assessment, which brings the Company to the 68th percentile ranking in its global peer group.

AboitizPower's Corporate Affairs team remains dedicated to communicating and amplifying AboitizPower's pivotal role in contributing to a sustainable energy transition in the country. The effectiveness of these communication efforts is assessed through the 'Strategy' pillar of the Reputation ID research. This evaluation focuses on how AboitizPower, in comparison to its competitors, demonstrates robust leadership, outlines a clear future direction, showcases innovation, and asserts authority within the energy sector.

Looking ahead, AboitizPower is committed to addressing gaps in various risk areas associated with ESG factors. The Company's growth strategy remains aligned with the energy trilemma of energy security, energy equity, and environmental sustainability, but will be characterized by a strategic shift from ensuring low-cost energy to also providing energy from more sustainable sources in the next decade.

10. Talent

AboitizPower gears for further growth by shifting towards renewable energy sources and increasing its presence in the international market, while ensuring the availability and reliability of existing power plants. Both growth and operational excellence thrusts demand for organic subject matter experts of critical assets. With this, talent risk has remained a key focus area given its potential to materially affect the Company's ability to deliver its strategic and operational priorities.

The risk on availability, readiness, and retention of talents for critical posts is inevitably increasing. Thus, talent attraction, optimization, and retention strategies are of utmost importance. In line with the importance of talent risk, a separate Nominations and Compensation Committee has been formed at the AboitizPower board level to provide effective governance over talent risk and mitigation decision making. Correspondingly, management continues to monitor the following business realities:

- a. Increased competition and a more intense war for talent, particularly with stronger brands and emerging renewables energy players that may raise external hiring costs and timelines;
- b. A raised talent bar driven by energy transition and digital disruption, coupled with higher internal standards that widen succession gaps and increase development demands; and
- c. Growth ambitions that require capabilities not yet fully available across the organization.

Accordingly, the Company continues to address the key risk drivers of skills and succession gaps, talent fulfillment challenges, and workforce engagement.

To strengthen governance and execution focus over the medium term, a risk appetite and tolerance has been established to ensure succession readiness as a critical priority. And to support this the Company has implemented learning and succession initiatives, alongside efforts to strengthen a culture of continuous learning and growth. The Company also continues to evaluate how digitalization and operating model clarity can further support talent risk management, including the optimization of shared Human Resources (HR) services and the appropriate balance between corporate center and business unit roles.

Moreover, the Company continued to heighten efforts to ensure talent supply meets talent demand by utilizing strategic workforce planning process, in particular:

- a. Optimize talent attraction channels/approaches such as establishing a compelling employer brand, building targeted talent communities and employee referral programs;
- b. Retain critical talent by improving overall factors for employee retention;
- c. Build talent capability building to ensure a thriving workforce by deepening the bench for the critical talent/position and institutionalizing knowledge transfer;
- d. Promote a culture-centric engagement and benchmarked employee experience to retain critical talents;
- e. Create as robust labor relations and business continuity plans, labor regulatory compliance checks & manager education; and
- f. Improve HR internal capability building and transformation through leveraging analytics and digital tools/system, re-skilling and resourcing, structure redesign and process simplification/standardization.

AboitizPower integrated the Strategic and Operational Workforce Planning into the Organizational Planning processes to enable the identification of current and future talent needs. This helped shape the people strategy of AboitizPower to be able to increase workers engagement and remain competitive in the job market.

11. Emerging Risks

Embedded in the risk management process is the continuous identification and monitoring of emerging risks which encompass both threats and opportunities. During environmental scans, potential risks are thoroughly examined, and subject matter experts conduct further studies to understand the nuances and potential impacts. These emerging risks are reported and discussed as part of the Group Risk Management Council and Board Risk and Reputation Management Committee regular agenda.

Emerging risks are newly developing risks that cannot yet be fully assessed due to high uncertainty but could have a major impact on the organization in the future. These potential risks could be triggered by the fast-changing landscapes in the political, economic, social, technological, environmental, and legal facets surrounding the Company's operations.

Disruptive and emerging technologies present a longer-term structural risk for AboitizPower as the energy landscape evolves. Off-grid and behind-the-meter solutions, such as distributed solar paired with highly efficient storage and microgrids, could gradually reduce reliance on centralized generation if costs continue to decline and policy support expands, potentially altering demand patterns and long-term capacity assumptions. At the same time, the extensive digitization of plant operations through advanced analytics, automation, and remote monitoring can improve efficiency but increases dependence on digital systems and exposes the business to integration and cybersecurity risks. This is an emerging risk because the pace and scale of adoption remain uncertain, yet over a five-year horizon these technologies could reshape competitive dynamics and require meaningful shifts in investment and operating models.

As the Philippines relies more on imported LNG as a transition fuel pushed by legislation such as the Philippine Natural Gas Industry Development Act (RA No. 12120), the Philippine power sector becomes more exposed to global price swings and supply disruptions. Moving away from coal toward greater LNG use changes the country's energy mix, but it also ties electricity costs more closely to international markets that can shift quickly due to geopolitical events, demand spikes, or currency movements. Unlike domestic resources, imported gas depends on stable global supply chains and predictable pricing, neither of which can be guaranteed. This is an emerging risk because the infrastructure and long-term supply agreements being put in place today may lock in these exposures for many years.

Finally, as AboitizPower scales newer technologies such as battery energy storage and advanced grid systems, an emerging risk is technology lock-in. The sector is still maturing, with evolving standards, rapid innovation cycles, and shifting regulatory expectations. Decisions made today on vendors, system architecture, and software platforms may shape operational flexibility for the next decade. What is considered bankable and compliant now could be overtaken by safer designs, new grid requirements, or more efficient technologies within a few years. This is an emerging risk because the long-term

performance, interoperability, and regulatory trajectory of these technologies are not yet fully proven at scale, and the financial impact may only become visible over time. Early signs would include repeated upgrades to meet new rules, limited compatibility across projects, concentration in a small group of suppliers, and rising retrofit costs to align earlier installations with updated standards.

AboitizPower remains committed to proactively identifying and managing emerging risks to ensure long-term resilience. By continuously monitoring these risks and integrating strategic responses, AboitizPower strengthens its ability to adapt and thrive in an evolving energy landscape.

(b) Requirements as to Certain Issues or Issuers

(i) Debt Issues

(a) Shelf Registration of Thirty Billion Peso Fixed-Rate Bonds issued in 2017 and 2018

On June 19, 2017, SEC issued an Order of Registration and a Certificate of Permit to Offer Securities for AboitizPower's fixed-rate corporate retail bonds in the aggregate amount of up to ₱30 bn ("2017 Bonds"). The 2017 Bonds were registered under the shelf registration program of the SEC and were issued in tranches.

Series "A" Three Billion Peso Fixed Rate Bonds issued in July 2017

Series "A" bonds were issued on July 3, 2017 with an aggregate amount of ₱3 bn, a tenor of ten years, and fixed interest rate of 5.3367% per annum. Interest is payable quarterly in arrears on January 3, April 3, July 3, and October 3 of each year, or the subsequent banking day without adjustment if such interest payment date is not a banking day. AboitizPower engaged BPI Capital Corporation (BPI Capital) as Issue Manager and Underwriter, BPI Asset Management and Trust Group (BPI-AMTG) as Trustee, and the Philippine Depository & Trust Corporation (PDTC) as the Registrar and Paying Agent. The Series "A" bonds received a credit rating of "PRS Aaa" with Stable Outlook from the Philippine Rating Services Corporation (PhilRatings), and is listed with the Philippine Dealing & Exchange Corporation (PDEX).

AboitizPower received the aggregate amount of ₱2.97 bn as proceeds from the offer and sale of the Series "A" bonds. AboitizPower has been paying interest to its bond holders since October 2017.

Use of Proceeds

As of December 31, 2017, the proceeds of the Series "A" bonds were fully utilized for the following projects:

Name of Project	Projected Usage (Per Prospectus) (in '000)	Actual Usage (in '000)
Equity infusions into GNPD in 2017	₱2,206,373	₱1,255,745
Equity infusions into GNPD in 2018	764,395	1,711,317
Bond issuance costs	29,232	32,938
TOTAL	₱3,000,000	₱3,000,000

Series "C" 2.5 Billion Peso Fixed Rate Bonds issued in October 2018

The Series "C" bonds, with an amount of ₱2.51 bn were issued on October 12, 2018. The Series "C" bonds have an interest rate of 8.5091% per annum, and will mature in 2028. Interest is payable quarterly in arrears on January 25, April 25, July 25, and October 25 of each year, or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AboitizPower appointed BDO Capital & Investment Corporation (BDO Capital) as Issue Manager, BDO Capital, BPI Capital, and United Coconut Planters Bank as Joint Lead Underwriters, BDO Unibank, Inc. Trust & Investments Group (BDO Trust) as Trustee, and PDTC as the Registry and Paying Agent for the

transaction. The Series “C” bonds received the highest possible rating of PRS “Aaa” from PhilRatings and is listed with PDEX.

AboitizPower received the amount of ₱2.5 bn as proceeds from the offer and sale of the Series “C” bonds, and AboitizPower has been paying interest to its bond holders since January 2019. On October 25, 2025, AboitizPower exercised its early redemption option for the 2018 Series “C” bonds. The Company fully pre-paid the bonds at a redemption price of 102.00%.

Use of Proceeds

As of September 30, 2019, the proceeds of the Series “C” bonds were fully utilized for the following projects:

Name of Project	Projected Usage (Per Prospectus) (in ‘000)	Actual Usage (in ‘000)
Refinancing of the Medium-Term Loan of Therma Power, Inc.	₱2,470,866	₱2,500,000
Bond issuance costs	29,234	-
TOTAL	₱2,500,000	₱2,500,000

Series “D” 7.25 Billion Peso Fixed Rate Retail Bonds issued in October 2019

Series “D” bonds, with an aggregate amount of ₱7 bn and an oversubscription of ₱5 bn, were issued on October 14, 2019. The Series “D” bonds have an interest rate of 5.2757% per annum, and will mature in 2026. Interest is payable quarterly in arrears on January 14, April 14, July 14, and October 14 of each year, or the subsequent banking day without adjustment if such interest payment day is not a banking day.

AboitizPower appointed BDO Capital and First Metro Investment Corporation (FMIC) as Joint Issue Managers, Joint Bookrunners and Joint Lead Underwriters, BDO Trust as Trustee, and PDTC as the Registry and Paying Agent of the transaction. The Series “D” bonds received the highest possible rating of PRS “Aaa” from PhilRatings and is listed with PDEX.

The Company received the aggregate amount of ₱7.25 bn as proceeds from the offer and sale of the Series “D” bonds. AboitizPower has been paying interest to its bond holders since January 2020 for the Series “D” bonds.

Use of Proceeds

As of December 31, 2019, the proceeds of the Series “D” bonds were fully utilized for the following projects:

Name of Project	Projected Usage (Per Prospectus) (in ‘000)	Actual Usage (in ‘000)
Repayment of short-term loan	₱7,161,972	₱7,250,000
Bonds issuance cost	88,028	-
TOTAL	₱7,250,000	₱7,250,000

(b) Shelf Registration of Thirty Billion Peso Fixed-Rate Bonds issued in 2021

On March 1, 2021, SEC issued an Order of Registration and a Certificate of Permit to Offer Securities for AboitizPower’s fixed-rate corporate retail bonds in the aggregate principal amount of ₱30 bn (the “2021 Bonds”). The 2021 Bonds were registered under the shelf registration program of the SEC and were issued in tranches.

Series “B” and “C” Twelve Billion Peso Fixed Rate Bonds issued in November 2021

Series “B” and Series “C” bonds (collectively, the “Second Tranche Bonds”), with an aggregate amount of ₱6 bn and an oversubscription option of ₱6 bn, were issued on December 2, 2021. The Series “B” bonds have an interest rate of 3.9992% per annum, and matured and were repaid in July 2025, while the Series “C” bonds have an interest rate of 5.0283% per annum, and will mature in 2028. Interest is payable quarterly in arrears on March 2, June 2, September 2, and December 2 of each year, or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AboitizPower appointed BDO Capital and ChinaBank Capital as Joint Issue Managers; and BDO Capital and ChinaBank Capital as Joint Lead Underwriters and Joint Bookrunners. BDO Trust was appointed as Trustee. The 2021 Second Tranche Bonds received the credit rating of “PRS Aaa” with Stable Outlook. AboitizPower listed the 2021 Second Tranche Bonds with PDEX on December 2, 2021.

AboitizPower received the aggregate amount of ₱12 bn as proceeds from the offer and sale of the 2021 Second Tranche Bonds.

Use of Proceeds

As of December 31, 2023, the proceeds of the 2021 Second Tranche Bonds were utilized for the following projects:

Name of Project	Projected Usage (Per Prospectus) (in ‘000)	Actual Usage (in ‘000)
Partially fund the equity contributions for the construction of the 74 MW Solar power plant in Pangasinan province	₱1,000,000	₱1,000,000
Refinancing of the 2020 Series “E” Bonds maturing in 2022	9,000,000	9,000,000
Fund future renewable projects	1,839,849	1,849,805
Bond issuance costs	160,151	150,195
TOTAL	₱12,000,000	₱12,000,000

	Per Final Prospectus (in ‘000)	Actual Usage (in ‘000)
Gross proceeds	₱12,000,000	₱12,000,000
Net proceeds	11,839,849	11,849,805

Series “D” and “E” Ten Billion Peso Fixed Rate Bonds issued in March 2022

Series “D” and Series “E” bonds (collectively, the “2022 Third Tranche Bonds”), with an aggregate amount of up to ₱7 bn and an oversubscription option of up to ₱3 bn was issued on March 17, 2022. Series “D” of the Third Tranche Bonds have a fixed interest rate of 5.3066% per annum maturing in 2027, and the Series “E” bonds have a fixed interest rate of 5.7388% per annum maturing in 2029. Interest is payable in arrears on March 17, June 17, September 17, and December 17 of each year, or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AboitizPower appointed BDO Capital, China Bank Capital, and FMIC as Joint Issue Managers; and BDO Capital, China Bank Capital, FMIC, and SB Capital Investment Corporation as Joint Lead Underwriters and Joint Bookrunners. The 2022 Third Tranche Bonds received a credit rating of “PRS Aaa” with Stable Outlook from PhilRatings. AboitizPower listed the 2022 Third Tranche Bonds with PDEX on March 17, 2021.

AboitizPower received the aggregate amount of ₱10 bn as proceeds from the offer and sale of the

Third Tranche Bonds.

Use of Proceeds

As of December 31, 2023, the proceeds of the 2022 Third Tranche Bonds were utilized for the following projects:

Name of Project	Projected Usage Per Prospectus (in '000)	Actual Usage (in '000)
Early Redemption of the 2018 Series "B" Bonds	₱7,700,000	₱7,700,000
Partially fund future renewable energy projects	2,165,427	2,170,125
Bond issuance costs	134,573	129,875
TOTAL	₱10,000,000	₱10,000,000

	Per Final Prospectus (in '000)	Actual Usage (in '000)
Gross proceeds	₱10,000,000	₱10,000,000
Net proceeds	9,865,427	9,870,125

(c) Shelf Registration of Thirty Billion Peso Fixed-Rate Bonds to be issued in 2025

On June 25, 2025, the SEC issued an Order of Registration and a Certificate of Permit to Offer Securities for AboitizPower's fixed-rate corporate retail bonds in the aggregate principal amount of ₱100 bn (the "2025 Bonds"). The 2025 Bonds were registered under the shelf registration program of the SEC and will be issued in tranches. Interest is payable in arrears on January 14, April 14, July 14, and October 14 of each year, or the subsequent banking day without adjustment if such interest payment date is not a banking day.

First Tranche Series "A", "B", and "C" 30 Billion Peso Fixed Rate Bonds issued in 2025

The first tranche consists of Series "A" bonds with a fixed interest rate of 5.8846% per annum due in 2027, Series "B" bonds with a fixed interest rate of 6.2934% per annum due in 2030, and Series "C" bonds with a fixed interest rate of 6.8572% per annum due in 2035, equivalent to up to Php20 billion with an oversubscription of up to Php10 billion (collectively, the "2025 First Tranche Bonds").

AboitizPower has appointed BDO Capital, FMIC, and Union Bank of the Philippines (Unionbank) as Joint Issue Managers; BDO Capital, FMIC, Unionbank, China Bank Capital, Landbank of the Philippines, PNB Capital and Investment Corporation, Security Bank Capital Investment Corporation as Joint Lead Underwriters and Joint Bookrunners; and BDO Trust as Trustee.

AboitizPower received the aggregate amount of ₱30 bn as proceeds from the offer and sale of the 2025 First Tranche Bonds.

Use of Proceeds

As of December 31, 2025, the proceeds of the 2025 First Tranche Bonds were fully utilized for the following projects:

Name of Project	Projected Usage Per Prospectus (in '000)	Actual Usage (in '000)
To refinance the 2021 Series "B" Bonds	Php4,800,000	Php4,800,000
Early redemption of the 2018 Series "C" Bonds	Php2,550,000	Php2,550,000
To partially refinance the short-term loans related to Project Chromite	Php22,290,000	Php22,290,000
TOTAL	Php29,640,000	Php29,640,000

	Per Final Prospectus (in '000)	Actual (in '000)
Gross proceeds	Php30,000,000	Php30,000,000
Net proceeds	Php29,636,609	Php29,639,603

Item 2. Properties

The Company's head office is located at Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City 1226 Metro Manila, Philippines. The office space occupied by the Company is leased from a third party. As a holding company, the Company does not utilize a significant amount of office space. The Company plans to continually participate in future projects that become available to it and will disclose the same in accordance with the applicable disclosure rules under the SRC.

On a consolidated basis, AboitizPower's Property, Plant and Equipment were valued at around ₱235.59 bn as of December 31, 2025, as compared to ₱220.16 bn as of December 31, 2024. The breakdown of the Company's Property, Plant and Equipment as of December 31, 2025 and December 31, 2024 is as follows:

Property, Plant and Equipment as of December 31	December 31, 2025	December 31, 2024
Land	₱5,570,809	₱3,943,617
Buildings, Warehouses and Improvements	60,445,439	59,267,343
Powerplant, Equipment, and Streamfield Assets	173,815,903	137,812,104
Transmission, Distribution and Substation Equipment	35,883,339	33,654,868
Transportation Equipment	2,229,020	2,103,540
Office Furniture, Fixtures and Equipment	1,907,923	1,806,095
Leasehold Improvements	3,639,940	3,203,749
Electrical Equipment	29,770,441	22,252,587
Meter and Laboratory Equipment	4,858,401	4,406,741
Tools and Others	2,159,356	1,917,663
Construction in Progress	29,227,385	24,995,539
Right-of-use Assets	10,642,364	36,961,225
Less: Accumulated Depreciation and Amortization	120,347,720	107,996,230
Less: Accumulated Impairment	4,214,159	4,170,548
TOTAL	₱235,588,441	₱220,158,293

Note: Values for the above table are in thousand Philippine Pesos.

Locations of Principal Properties and Equipment of the Company's Subsidiaries are as follows:

Subsidiary	Description	Location/Address	Condition
APRI	Geothermal power plants	Tiwi, Albay; Calauan, Laguna; Bay, Laguna; and Sto. Tomas, Batangas	In use for operations, used to secure long-term debt

Subsidiary	Description	Location/Address	Condition
Aseagas	Raw land and improvements	Brgy. Malaruhatan, Lian, Batangas	Ceased operations
Hedcor	Hydropower plants	Banengneng, Benguet; Beckel, La Trinidad, Benguet; Bineng, La Trinidad, Benguet; Sal-angan, Ampuhao, Itogon, Benguet; Bakun, Benguet; Talomo, Davao City	In use for operations
Hedcor Sibulan	Hydropower plant	Santa Cruz, Sibulan, Davao del Sur	In use for operations
Hedcor Tudaya	Hydropower plant	Darong, Sibulan, Davao del Sur	In use for operations
Hedcor Sabangan	Hydropower plant	Namatec, Sabangan, Mountain Province	In use for operations
Hedcor Bukidnon	Hydropower plant	Maluko, Manolo Fortich, Bukidnon	In use for operations
ASPI	Solar power plant	Brgys. San Isidro, Patunan, Bagacay and San Benito, Municipality of Calatrava, Negros Occidental	In use for operations
APREC	Solar power plant	Brgy. Sta. Rita, Olongapo City, Zambales	In use for operations
RERI	Solar power plant	Brgy. Armenia, Tarlac City	In use for operations
San Carlos Sun Power	Solar power plant	Eco Zone Boulevard, San Carlos Ecozone, Barangay Punao, San Carlos City, Negros Occidental	In use for operations
PV Sinag Power	Solar power plant	Cayanga, 2416 Bugallon, Pangasinan; Laoag, Aguilar, Pangasinan	In use for operations
EAUC	Bunker-C thermal power plant	Lapu-Lapu City, Cebu	In use for operations
TMI	Barge-mounted diesel power plants	Nasipit, Agusan del Norte and Barangay San Roque, Maco, Compostela Valley	In use for operations
TMO	Barge-mounted diesel power plants	Navotas Fishport, Manila	In use for operations
TSI	Coal-fired thermal power plants	Davao City and Davao del Sur	In use for operations, used to secure long-term debt
TVI	Coal-fired thermal power plants	Bato, Toledo, Cebu	In use for operations, used to secure long-term debt
TCVI	Industrial land	Colon, Naga City, Cebu	In use for operations
GMEC	Coal-fired thermal power plants	Mariveles, Bataan	In use for operations
Cotabato Light	Industrial land, buildings/ plants, equipment, and machinery	Sinsuat Avenue, Cotabato City	In use for operations
	Substation Equipment	Sultan Kudarat, Maguindanao and Cotabato City	In use for operations
	Industrial land, buildings/ plants, equipment, and machinery	P. Reyes Street, Davao City and Bajada, Davao City	In use for operations

Davao Light

Subsidiary	Description	Location/Address	Condition
	Substation equipment	Davao City, Davao del Sur; Panabo, Davao del Norte; Santo Tomas, Davao del Norte; Salvacion, Davao del Norte	In use for operations
	Substation equipment	Poblacion District and Talomo, Davao City, Davao del Sur and Panabo, Davao del Norte	Ongoing development
Visayan Electric	Industrial land, buildings/plants, equipment, and machinery	Jakosalem Street, Cebu City and J. Panis Street, Cebu City	In use for operations
	Substation equipment	Cebu City, Consolacion City, Mandaue City, Naga City, Municipality of San Fernando, Talisay City	In use for operations
	Substation equipment	Subangdaku, Mandaue City and Tungkop, Minglanilla, Cebu	Ongoing development
Lima Enerzone	Industrial land, buildings/plants, equipment, and machinery	Lipa City and Malvar, Batangas	In use for operations
	Substation Equipment	Malvar and Lipa, Batangas	In use for operations
	Substation Equipment	Malvar, Batangas	Ongoing development
Balamban Enerzone	Industrial land, buildings/plants, equipment, and machinery	Balamban, Cebu	In use for operations
	Substation Equipment	Balamban, Cebu	Balamban, Cebu
Mactan Enerzone	Industrial land, buildings/plants, equipment, and machinery	Lapu Lapu City, Cebu	In use for operations
	Substation Equipment	Lapu Lapu City, Cebu	In use for operations
Malvar Enerzone	Industrial land, buildings/plants, equipment, and machinery	Malvar, Batangas	In use for operations
	Substation Equipment	Malvar, Batangas	In use for operations
Subic Enerzone	Industrial land, buildings/plants, equipment, and machinery	Subic Bay Freeport Zone	In use for operations
	Substation Equipment	Subic Bay Freeport Zone	In use for operations
Tarlac Enerzone	Industrial land, buildings/plants, equipment, and machinery	TARI Estate, Tarlac City	Ongoing development
	Substation Equipment	TARI Estate, Tarlac City	Ongoing development

Item 3. Legal Proceedings

Material Pending Legal Proceedings

AboitizPower and its Subsidiaries are involved in various legal proceedings in the ordinary conduct of their businesses. The Company believes that none of these legal proceedings will have a material effect on the Company's financial position and results of operations.

The other material pending legal proceedings involving the Company and its Subsidiaries as of February 28, 2026 are as follows:

Luzon Hydro Corporation vs. The Provincial Government of Benguet, represented by Governor Melchor D. Diclas; Orlando T. Oidi, in his official capacity as the Provincial Assessor of Benguet Province; Imelda I. Macanes, in her official capacity as the Provincial Treasurer of Benguet Province; Bado K. Pasule, in his official capacity as the Municipal Assessor of Bakun, Benguet; and Merlita Tolito, in her official capacity as the OIC-Municipal Treasurer of Bakun, Benguet
Civil Case No. 20I-CV-3558

In view of the finality of the SC's Decision in the case entitled: "*National Power Corporation vs. Luzon Hydro Corporation (LHC), Banggay T. Alwis, Municipal Assessor, Manuel C. Bagayao, Municipal Treasurer of Bakun, Benguet, Erlinda Estepa, Provincial Assessor and Mauricio B. Ambanloc, Provincial Treasurer of the Province of Benguet*" docketed as GR No. 244450 and GR No. 244659, the Municipal Treasurer of Bakun issued real property tax Bills for the period covering 2002 to 2019 amounting to ₱284,448,073.24 on January 16, 2020.

On February 3, 2020, LHC wrote to the Provincial Governor requesting for the amendment of the real property tax Bills to align with the MOA dated December 20, 2012 by and between LHC and the Province of Benguet. In the same letter, LHC also cited Executive Order (EO) No. 88, Series of 2019, which reduced the liability for real property tax of IPPs such as LHC with BOT Agreements with Government Owned and Controlled Corporations to an amount equivalent to the tax due if computed at 15% assessment level and condoned all interest and penalties for all years up to 2018.

On September 14, 2020, LHC filed a Petition with the RTC of La Trinidad, Benguet, praying for the issuance of a writ of *mandamus* to compel the Province of Benguet to comply with the provisions of the EO and recompute the real property tax liabilities of LHC. The Province of Benguet filed its Comment with Motion to Dismiss, which was denied by the RTC. The RTC also directed the parties to immediately manifest their conformity to the statement of undisputed facts, admitted documentary exhibits, and the statement of legal issues. LHC filed its Comment on January 21, 2021 while the Province filed its Compliance with Manifestation on February 5, 2021.

On March 23, 2021, a hearing was held through videoconference to discuss the factual issues raised by the Province. The judge advised that an Amended Order will be issued containing the summary of admitted facts, list of admitted facts, list of admitted documents, and statement of legal issues based on the respective Comments or Manifestations filed by the parties. LHC filed its Memorandum on April 28, 2021.

On December 17, 2021, LHC received the RTC's Decision dated November 18, 2021 denying the Petition. On December 28, 2021, LHC filed with the Supreme Court a motion for extension of time, requesting a 30-day extension from January 1, 2022, or until January 31, 2022, within which to file its Petition for Review on *Certiorari*.

On February 2, 2022,²⁰ LHC filed its Petition for Review on *Certiorari* with the Supreme Court docketed as G.R. No. 258407. On March 20, 2025, LHC through counsel received a copy of the Supreme Court's Notice of the resolution consolidating the case with G.R. 267535, which was filed by the Imelda Macanes, in her capacity as the OIC-Municipal Treasurer of Bakun-Benguet. As of February 28, 2025, the consolidated cases are still pending before the Supreme Court.

G.R. No. 210245 entitled "*Bayan Muna Representative Neri Javier Colmenares, et al. vs. Energy Regulatory Commission, et al.*", Supreme Court; December 19, 2013

G.R. No. 210255 entitled "*National Association of Electricity Consumers for Reforms, et al. vs. Manila Electric Company, et al.*", Supreme Court; December 20, 2013

G.R. No. 210502 entitled "*Manila Electric Company, et al. v Philippine Electricity Market Corporation, et al.*", Supreme Court; January 8, 2014

²⁰ On January 12, 2022, the Supreme Court issued Memorandum Order No. 10-2022 which, among others, extended until February 1, 2022 the filing periods of any and all pleadings and other court submissions that will fall due in the month of January 2022 in view of the rising cases of COVID-19 due to the Omicron variant. Further, through Proclamation No. 1236 dated October 29, 2021, February 1, 2022 has been declared a Special (Non-Working) Day in view of the celebration of Chinese New Year. Hence, all pleadings that will fall due on said date may be filed on the next business day.

On December 19, 2013, Bayan Muna representatives filed a Petition for *Certiorari* against ERC and Meralco with the SC, questioning the alleged substantial increase in Meralco's power rates for the billing period of November 2013. These cases raised, among others, the: (i) legality of Sections 6, 29 and 45 of the EPIRA, (ii) failure of ERC to protect consumers from high prices of electricity, and (iii) alleged market collusion by the generation companies. These cases were consolidated by the SC, which issued a TRO preventing Meralco from collecting the increase in power rates for the billing period of November 2013. The TRO was subsequently extended by the SC for another 60 days, or until April 22, 2014. On April 22, 2014, the SC extended the TRO indefinitely.

Meralco filed a counter-petition impleading all generation companies supplying power to the WESM to prevent the generation companies from collecting payments on power purchased by Meralco from the WESM during the contested billing period. The SC ordered other power industry participants (DOE, ERC, PEMC, PSALM, and the generation companies) to respond to Meralco's counter-petition.

The SC set the consolidated cases for oral arguments on January 21, 2014, February 4 and 11, 2014. After oral arguments, all parties were ordered to file their comments and/or memoranda. Meralco has been prevented from collecting the differential increase of the price hike. Because of Meralco's counter-petition against the generation companies, PEMC withheld settlement of the power purchases during the covered period.

On February 7, 2019, petitioners in G.R. No. 210245 filed their Motion for Directions, Status Updates and Immediate Resolution. In its Decision dated August 3, 2021, the SC declared the ERC's March 3, 2014 Order null and void. The Petition in G.R. No. 210502 was granted insofar as it prayed for the dismissal of the Petitions in G.R. Nos. 210245 and 210255 as these two cases were dismissed. The December 9, 2013 Order of the ERC, on the other hand, was affirmed.

On July 18, 2022, the National Association of Electricity Consumers for Reforms, Inc. (NASECORE) filed its Motion for Reconsideration. On July 19, 2022, the ERC filed its Motion for Partial Reconsideration. On July 20, 2022, Bayan Muna filed its Motion for Reconsideration.

In a Resolution dated October 11, 2022, the SC resolved to deny with finality the Motions for Reconsideration filed by NASECORE and Bayan Muna and the Motion for Partial Reconsideration filed by the ERC.

GR No. 224341 entitled "*Philippine Electricity Market Corporation vs. Therma Mobile, Inc.*", Supreme Court

[CA G.R. SP No. 140177 entitled "*PEMC v. Therma Mobile Inc.*", Court of Appeals, Manila, SP Proc. No. 12790 entitled "*Therma Mobile Inc. vs. PEMC*", Regional Trial Court Branch 157-Pasig City;

PEMC ECO-2014-0009 entitled "*Therma Mobile, Inc. (TMO Power Plants Units 1-4) Possible Non-Compliance with Must-Offer-Rule, Investigation Summary Report, dated August 4, 2014*"]

The Enforcement and Compliance Office of the Philippines Electricity Market Corporation (PEMC-ECO) conducted an investigation on TMO for possible non-compliance with the Must-Offer-Rule for the period October 26, 2013 to December 25, 2013. PEMC-ECO concluded that TMO was non-compliant with the Must-Offer-Rule for 3,578 intervals and recommended a penalty of ₱234.9 mn.

TMO filed its letter request for reconsideration on September 5, 2014, contending that it did not violate the Must-Offer Rule because its maximum available capacity was limited to 100 MW due to: (a) the thermal limitations of the old TMO 115-kV transmission line, and (b) the technical and mechanical constraints of the old generating units and the component engines of the TMO power plants which were under various stages of rehabilitation after having been non-operational for five years. Although TMO's rated capacity is 234 MW (net), it could only safely and reliably deliver 100 MW during the November and December 2013 supply period because of limitations of its engines and the 115-kV transmission line. This temporary limitation of TMO's plant was confirmed during a dependable capacity testing conducted on November 21, 2013.

In its letter dated January 30, 2015, the PEMC Board of Directors denied TMO's request for reconsideration and confirmed its earlier findings. On February 13, 2015, TMO filed a Notice of Dispute with PEMC to refer the matter to dispute resolution under the WESM Rules, WESM Dispute Resolution Market Manual and the ERC-PEMC Protocol.

On February 16, 2015, TMO filed a petition for TRO before the Pasig City RTC. In its Order dated February 24, 2015, the RTC granted TMO a 20-day temporary order of protection and directed PEMC to: (i) refrain from demanding or collecting the amount of ₱234.9 mn as financial penalty; (ii) refrain from charging interest on the financial penalty and having the same accrue; and (iii) refrain from transmitting PEMC-ECO's investigation report to the ERC. TMO posted a bond in the amount of ₱234.9 mn to answer for any damage that PEMC may suffer as a result of the Order. On April 1, 2015, the RTC rendered a Decision in favor of TMO. PEMC appealed the RTC decision before the Court of Appeals (CA) and sought to reverse and set aside the decision of the RTC.

On December 14, 2015, the CA rendered a Decision denying PEMC's Petition for Review and affirming the April 1, 2015 Decision of RTC in favor of TMO. On June 6, 2016, PEMC filed a Petition for Review on *Certiorari* with the SC to assail the December 14, 2015 CA Decision. TMO filed its Comment to PEMC's Petition for Review and PEMC filed a Reply. In its March 29, 2017 Resolution, the SC noted TMO's Comment and PEMC's Reply.

As of February 28, 2026, PEMC's Petition was still pending before the SC.

G.R. Nos. 244449 and 244455-56 entitled "*Energy Regulatory Commission vs. Therma Mobile, Inc., Manila Electric Company and AP Renewables, Inc.*", Supreme Court;

[CA G.R. SP. No. 152588 entitled "*Therma Mobile, Inc. vs. Energy Regulatory Commission, Atty. Alfredo P. Vergara, Jr. and Engr. Nelson D. Canlas, in their capacity as Investigating Officers (IOs) of the Investigatory Unit constituted by the Honorable Commission pursuant to its Office Order No. 38, Series of 2013 dated December 26, 2013, as amended by Office Order No. 82, Series of 2017*", Court of Appeals, Manila;

ERC Case No. 2015-025 MC entitled "*Atty. Isabelo Joseph P. Tomas II, in his capacity as the Investigating Officer of the Investigatory Unit constituted by the Honorable Commission pursuant to its Office Order No. 38, Series of 2013 dated December 26, 2013 vs Meralco and Therma Mobile, Inc. [For Violation of Section 45 of RA 9136, otherwise known as EPIRA, Rule 11, Section 1 of IRR of the EPIRA (Commission of an Anti-Competitive Behavior, particularly Economic Withholding)]*", ERC Pasig City, June 4, 2015;

ERC Case No. 2015-027 MC entitled "*Atty. Isabelo Joseph P. Tomas II, in his capacity as the Investigating Officer of the Investigatory Unit constituted by the Honorable Commission pursuant to its Office Order No. 38, Series of 2013 dated December 26, 2013 vs Therma Mobile, Inc. [For Violation of Section 45 of RA 9136, otherwise known as EPIRA, Rule 11, Section 1 and 8(e) of IRR of the EPIRA (Commission of an Anti-Competitive Behavior, particularly Physical Withholding)]*", ERC, Pasig City, June 4, 2015;

Pursuant to the allegations in the Bayan Muna SC case, the Investigation Unit of ERC ("ERC-IU") conducted investigations on the alleged anti-competitive behavior and market abuse committed by some participants of the WESM, including TMO.

On January 24, 2014, ERC issued a *Subpoena Ad Testificandum and Duces Tecum* directing TMO's representative to give clarification on matters pertaining to offers per trading interval involving the November to December 2013 supply months and provisions on the PSA between Meralco and TMO. The representative was likewise directed to bring relevant documents.

On January 29, 2014, TMO filed its Compliance and Submission to the *Subpoena Duces Tecum*. Further, on March 11, 2014, TMO filed its Memorandum, arguing that it did not commit any act constituting anti-competitive behavior and/ or misuse of market power. TMO then requested ERC-IU to terminate and close the investigation.

On May 20, 2015, ERC-IU issued its report and found that in bidding the way they did for the November and December 2013 supply months, TMO and Meralco allegedly committed Economic Withholding, and TMO committed Physical Withholding, and thus recommended the filing of cases for Anti-Competitive Behavior against TMO and Meralco.

On June 23, 2015, ERC ordered Meralco and TMO to file their respective Answers to the Complaint. On August 24, 2015, TMO filed its Answers praying for the dismissal of the Complaints.

In its Manifestation dated October 7, 2016, ERC-IU manifested the resignation of Atty. Isabelo Tomas as Investigating Officer (IO) and the appointment of Director Alfredo Vergara, Jr. and Engr. Nelson Canlas as new IOs. In a separate pleading, the new IOs filed their Reply to various motions filed by TMO.

On July 27, 2016, Meralco filed in ERC Case No. 2015-025MC an Urgent Motion to Dismiss with Motion to Suspend Proceedings on the ground that ERC has no jurisdiction over anti-competitive behavior cases, and that jurisdiction is with PCC. On July 28, 2016, TMO filed in the same case a Manifestation and Motion adopting Meralco's Urgent Motion to Dismiss. On August 1, 2016, TMO also filed its Manifestation and Motion, which sought the dismissal of ERC Case No. 2015-027MC for lack of jurisdiction.

In an Order dated February 2, 2017, ERC denied Meralco's and TMO's motions to dismiss for lack of jurisdiction. TMO filed its Motion for Reconsideration, which the ERC subsequently denied in its Order dated June 20, 2017.

On September 18, 2017, TMO filed a Petition for *Certiorari* with the CA, praying that the CA: (i) issue a TRO commanding the ERC to desist from conducting further proceedings in ERC Case No. 2015-025MC and ERC Case No. 2015-027MC; (ii) after proceedings, issue a Writ of Preliminary Injunction; and (iii) annul and set aside the February 2, 2017 and June 20, 2017 ERC Orders.

In a Resolution dated October 2, 2017, the CA directed the respondents to file their comment on TMO's Petition for *Certiorari* and denied TMO's prayer for a TRO. TMO filed a Motion for Partial Reconsideration of the CA's October 2, 2017 Resolution, which the CA denied. Thereafter, the CA issued its Notice of Judgment and Decision dated May 23, 2018, which denied TMO's Petition. On June 20, 2018, TMO filed its Motion for Reconsideration of CA's Decision dated May 23, 2018. In a Resolution dated January 28, 2019, the CA denied the motions for reconsideration filed by TMO, Meralco and APRI and the motion for partial reconsideration filed by the ERC.

Subsequently, ERC filed a Petition dated February 21, 2019 with the SC via Rule 45 of the Rules of Court. In the Petition, ERC challenged the CA Decision and Resolution insofar as the CA ruled that the Philippine Competition Act (PCA) repealed the parts of the EPIRA that granted jurisdiction to ERC over anti-competition matters in the energy sector, and that PCC has original and exclusive jurisdiction over anti-competition matters, including those affecting the energy sector after the effectivity of the PCA.

In a Resolution dated July 30, 2019, the SC directed the respondents to file their Comments on ERC's Petition. On November 25, 2019, TMO filed its Manifestation with the SC.

In a Resolution dated September 29, 2021, the SC partly granted the ERC's Petition for Review on *Certiorari* and ruled that the ERC has jurisdiction over anti-competitive cases filed prior to the enactment of the PCA pursuant to the principle of adherence of jurisdiction. The Supreme Court did not rule on the delineation of jurisdiction between the PCC and the ERC after the effectivity of the PCA.

G.R. Nos. 244449 and 244455-56 entitled "*Energy Regulatory Commission vs. Therma Mobile, Inc., Manila Electric Company and AP Renewables, Inc.*", Supreme Court;

CA G.R. SP. No. 152613 entitled, "*AP Renewables, Inc. vs. Energy Regulatory Commission and Directors Alfredo P. Vergara, Jr. and Engr. Nelson Canlas, in their capacity as the Investigating Officers of the Investigatory Unit of the Energy Regulations Commission*", Court of Appeals, Manila

ERC Case No. 2015-038 MC entitled “Energy Regulatory Commission vs. AP Renewables, Inc. ([Violation of Section 45 of EPIRA, Rule 11, Sec. 1 and 8 (E) of the Implementing Rules and Regulations (Commission of an Anti-Competitive Behavior, particularly, Physical Withholding)]”, ERC, Pasig City, June 9, 2015

The ERC-IU conducted investigations on the alleged anti-competitive behavior and market abuse committed by some participants of the WESM, including APRI. On May 20, 2015, ERC-IU released its report holding that APRI’s non-compliance with the Must-Offer Rule for four intervals is tantamount to Physical Withholding which, it alleged, is a form of anti-competitive behavior.

On June 9, 2015, complainant Atty. Isabelo Joseph Tomas III, Investigating Officer of the IU, filed the complaint for Anti-Competitive Behavior against APRI. On June 23, 2015, ERC issued an Order directing APRI to file its answer within 15 days from notice.

On July 1, 2015, APRI received the summons and complaint. Subsequently, on July 7, 2015, APRI filed a Motion praying that: (a) the Complainant serve upon APRI the complete copy of the complaint and its annexes; (b) the Complainant clarify and put on record the answer to the following issues: (i) which of Makban Plants’ generating units is the subject of the complaint; and (ii) the dates and times of the four intervals mentioned in the complaint during which APRI allegedly offered “less than its total registered capacity.” Meanwhile, on July 29, 2015, APRI filed its Answer *ad cautelam*.

In its Manifestation dated October 7, 2016, ERC-IU manifested the resignation of Atty. Isabelo Tomas as IO and the appointment of new IOs. The new IOs filed their Reply to various motions filed by APRI.

Subsequently, APRI filed a Motion to Dismiss dated July 29, 2016, arguing that jurisdiction over the case is vested in the PCC. APRI also filed its *Ad Cautelam* Pre-Trial Brief and Judicial Affidavits. ERC denied APRI’s Motion to Dismiss, and APRI’s subsequent Motion for Reconsideration.

On September 19, 2017, APRI filed a Petition for *Certiorari* (with application for TRO and Writ of Preliminary Injunction) with the CA (CA G.R. SP. No. 152613), praying for the CA to: (i) issue a TRO commanding ERC to desist from conducting further proceedings in ERC Case. No. 2015-038MC; (ii) after proceedings, issue a Writ of Preliminary Injunction; and (iii) annul and set aside the February 2, 2017 and June 20, 2017 ERC Orders, and dismiss the complaint and ERC proceedings with prejudice.

On November 6, 2017, the IOs filed a Motion for Consolidation seeking to consolidate CA G.R. SP. No. 152613 with TMO’s Petition in CA GR. No. 152588. Thereafter, the CA issued its Notice of Judgment and Decision dated May 23, 2018, which denied APRI’s Petition. On June 18, 2018, APRI filed its Motion for Reconsideration of the CA’s Decision dated May 23, 2018.

In a Resolution dated January 28, 2019, the CA denied the motions for reconsideration filed by APRI, Meralco, and TMO and the motion for partial reconsideration filed by ERC.

Subsequently, ERC filed a Petition dated February 21, 2019 with the SC via Rule 45 of the Rules of Court. In the Petition, ERC challenged the CA Decision and Resolution insofar as the CA ruled that the PCA repealed the parts of the EPIRA that granted to ERC jurisdiction over anti-competition matters in the energy sector, and that the PCC has original and exclusive jurisdiction over anti-competition matters including those affecting the energy sector after the effectivity of the PCA.

In a Resolution dated July 30, 2019, the SC directed the respondents to file their Comments on ERC’s Petition. On November 4, 2019, APRI filed its Comment with the SC.

In a Resolution dated September 29, 2021, the SC partly granted the ERC’s Petition for Review on *Certiorari* and ruled that the ERC has jurisdiction over anti-competitive cases filed prior to the enactment of the PCA pursuant to the principle of adherence of jurisdiction. The Supreme Court did not rule on the delineation of jurisdiction between the PCC and the ERC after the effectivity of the PCA.

Consolidated Regulated Price Case (ERC vs. Various Generation Companies and PEMC) G.R. Nos. 246621-30, and G.R. Nos. 247352-61, Petitions for Review on *Certiorari*, Supreme Court;

[Consolidated Regulated Price Case against the Energy Regulatory Commission, Petition for Review on *Certiorari*, Court of Appeals, Manila;

ERC Case No. 2014-021 MC entitled “*In the Matter of the Prices in the WESM for the Supply Months of November and December 2013 and the Exercise by the Commission of its Regulatory Powers to Intervene and Direct the Imposition of Regulated Prices therein without Prejudice to the On-going Investigation on the Allegation of Anti- Competitive Behavior and Possible Abuse of Market Power Committed by Some WESM Participants*”, March 28, 2014]

The ERC conducted an investigation on the alleged collusion by the generation companies to raise the WESM prices. Subsequently, the ERC issued an Order in ERC Case No. 2014-021 MC dated March 3, 2014 (the “ERC Order”), declaring as void the Luzon WESM prices during the November and December 2013 supply months. ERC also declared the imposition of regulated prices for such billing periods and directed PEMC to calculate the regulated prices and implement the same in the revised November and December 2013 WESM bills of the concerned distribution utilities in Luzon, except for Meralco whose November 2013 WESM bill was maintained in compliance with the TRO issued by the SC.

Pursuant to the ERC Order, on March 18, 2014, PEMC issued adjusted billing statements for all generators trading in the WESM, including Cebu-based EAUC and CPPC, recalculating the WESM prices.

APRI, TLI, TMO, Adventpower, Adventenergy, SN Aboitiz Power-Magat, SN Aboitiz Power-Benguet, CPPC, and EAUC filed their respective Motions for Reconsideration, questioning the validity of the ERC Order on the ground of lack of due process, among others.

The ERC, in its Order dated October 15, 2014, denied said Motions for Reconsideration. SN Aboitiz Power-Benguet, SN Aboitiz Power-Magat, APRI, TLI, and TMO filed their Petitions for Review (the “Petitions”) before the CA on November 19, 24, December 1, and 4, 2014, respectively. The CA ordered the consolidation of the Petitions on October 9, 2015.

On November 7, 2017, the CA granted the Petitions. ERC’s March 3, 2014 Order, among other orders, were declared null and void, and the Luzon WESM market prices in November and December 2013 were declared valid and therefore reinstated.

Thereafter, ERC and Meralco filed their respective motions for reconsideration. Several entities also filed motions to intervene in the case. APRI, TLI, and TMO filed their respective oppositions to the motions for reconsideration and motions to intervene. The CA denied the motions to intervene filed by several entities, which thereafter filed their motions for reconsideration. In an Omnibus Resolution dated March 29, 2019, the CA denied the motions for reconsideration by ERC and Meralco, as well as the motions for reconsideration filed by several entities that wanted to intervene in the case.

In June 2019, ERC, Meralco, and several entities filed their Petitions for Review on *Certiorari* with the SC, asking the latter to reverse and set aside the CA Decision dated November 7, 2017 and the CA Omnibus Resolution dated March 29, 2019. They also prayed that the SC reinstate the ERC Orders.

In September to October 2019, the SC issued Resolutions denying the Petitions for Review on *Certiorari* filed by several entities, including Calco Industries Inc., Paperland, *Alyansa ng mga Grupong Haligi at Teknolohiya Para sa Mamamayan* (AGHAM), Ateneo de Manila University, Citizenwatch, Riverbanks Dev’t. Corp., Steel Angles Shapes & Sections Manufacturers, for failure to show any reversible error on the part of the CA in promulgating the Decision dated November 7, 2017 and Omnibus Resolution dated March 29, 2019.

In a Resolution dated September 11, 2019, the SC required respondents to file their Comments to ERC’s Petition for Review on *Certiorari*. On January 28, 2020, TMO and TLI filed their Consolidated Comment (to the Petition for Review on *Certiorari* dated June 13, 2019); whereas APRI filed its Comment (on the Petition for Review on *Certiorari* dated June 13, 2019) on February 11, 2020.

In a Resolution dated February 10, 2020, the SC required respondents to file their Comments on Meralco's Petition for Review on *Certiorari* dated June 13, 2019. On July 9, 2020, APRI filed its Comment, and TLI and TMO filed their Consolidated Comment to Meralco's Petition for Review on *Certiorari*.

Subsequently, the SC issued a Resolution dated March 11, 2020 requiring the respondents to comment on San Beda University's Motion for Leave to Intervene and to Admit Petition-In-Intervention. On October 2, 2020, APRI filed its Opposition to San Beda University's Motion; while TLI and TMO filed their Opposition on October 21, 2020.

In a Resolution dated November 4, 2020, the SC resolved to consolidate and transfer the case with G.R. Nos. 247352-61 to the case with G.R. Nos. 246621-30. In a Resolution dated June 23, 2021, the SC required Meralco to file its Consolidated Reply to respondents' Comments, which Meralco filed on October 19, 2021.

As of February 28, 2026, ERC's and Meralco's petitions were pending resolution by the SC.

ERC Case No. 2013-077 MC entitled "*In Re: Petition for Dispute Resolution: Manila Electric Company (Meralco) vs. South Premier Power Corporation (SPPC), Masinloc Power Partners Company, Ltd. (MPPCL), AP Renewables, Inc. (APRI), Therma Luzon, Inc. (TLI), San Miguel Energy Corporation (SMEC) and SEM-Calaca Power Corporation (SCPC)*", August 29, 2013

On August 29, 2013, Meralco filed a petition before ERC against TLI and APRI, among other Successor Generating Companies (SGCs), docketed as ERC Case No. 2013-077 MC, where Meralco prayed that it be refunded by the respondent-SGCs of the transmission line losses. The petition arose from a claim of refund on account of the alleged over-recoveries of transmission line losses.

The petition was filed by Meralco pursuant to ERC Order dated March 4, 2013 and July 1, 2013 in ERC Case No. 2008- 083 MC where the SGCs were not parties to.

On September 20, 2013, APRI and TLI, together with the other SGCs, filed a Joint Motion to Dismiss arguing that Meralco's petition should be dismissed for failure to state a cause of action and ERC's lack of jurisdiction over the subject matter of the case. The motion argued that: (i) Meralco cannot base its cause of action against the SGCs on a decision issued by ERC in another case where none of the SGCs were made parties to the case; and (ii) Meralco's claim is in a nature of a claim for sum of money which is properly within the jurisdiction of regular courts. The Joint Motion to Dismiss has since then been submitted for resolution with ERC.

As of February 28, 2026, ERC has yet to render its decision on the Joint Motion to Dismiss.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

(1) Market Information

AboitizPower's common shares are traded on the PSE.

The high and low stock prices of AboitizPower's common shares for each quarter of the past three years were as follows:

	2025		2024		2023	
	High	Low	High	Low	High	Low
First Quarter	₱44.50	38.50	₱39.30	₱35.00	₱39.80	₱33.90
Second Quarter	40.95	35.00	37.30	33.80	38.45	36.50
Third Quarter	44.35	39.10	38.50	32.40	37.30	30.00
Fourth Quarter	44.55	39.00	39.75	36.50	38.00	34.35

The closing price of AboitizPower common shares as of March 23, 2026 is ₱42.80 per share.

(2) Holders

As of March 23, 2026, AboitizPower has 598 stockholders of record, including PCD Nominee Corporation (Filipino) and PCD Nominee Corporation (Foreign). Common shares outstanding as of the same date were 7,358,604,307 shares.

The top 20 stockholders of AboitizPower as of March 23, 2026 were as follows:

Name	Number of Shares	Percentage
1) Aboitiz Equity Ventures Inc.	3,817,195,833	51.87%
2) JERA Asia Private Limited	1,986,823,063	27.00%
3) PCD Nominee Corporation (Filipino)	986,001,060	13.40%
4) Aboitiz Power Corporation	152,750,000	2.08%
5) PCD Nominee Corporation (Foreign)	98,436,597	1.34%
6) Bauhinia Management Inc.	20,948,380	0.28%
7) Dominus Capital Inc.	14,009,949	0.19%
8) FMK Capital Partners Inc.	14,009,949	0.19%
9) Portola Investors Inc.	13,729,237	0.19%
10) Hawk View Capital Inc.	13,711,967	0.19%
11) Ixidor Holdings Inc.	8,203,632	0.11%
12) Danel C. Aboitiz	8,000,000	0.11%
13) San Fernando Electric Light and Power Co. Inc.	7,931,034	0.11%
14) Parraz Development Corporation	7,827,522	0.11%
15) Arrayanes Corporation	6,936,943	0.09%
16) Sergio Ong or Shirley Olano	6,706,978	0.09%
17) Sabin M. Aboitiz	5,667,406	0.08%
18) Iker M. Aboitiz	5,465,100	0.07%
19) Ramon Aboitiz Foundation Inc.	3,900,000	0.05%
20) Salt Grass Management Inc.	3,411,295	0.05%
SUBTOTAL	7,181,665,945	97.59%
Other Stockholders	176,938,362	2.41%

Name	Number of Shares	Percentage
TOTAL ISSUED SHARES	7,358,604,307	100.00%

(3) Dividends

Since 2013, the Company's dividend policy has been to declare an annual cash dividend payment ratio of 50% of its consolidated net income from the previous fiscal year based on the audited financial statements of the Company, in all cases subject to the approval of the Company's Board of Directors.

The cash dividends declared by AboitizPower to common stockholders from 2024 to the first quarter of 2026 are shown in the table below:

Year	Cash Dividend Per Share	Total Declared	Declaration Date	Record Date	Payment Date
2026 (regular)	₱1.35	₱9.73 bn	3/5/2026	3/19/2026	3/27/2026
2026 (special)	₱0.93	₱6.70 bn	3/5/2026	3/19/2026	3/27/2026
2025 (regular)	₱2.35	₱16.93 bn	3/6/2025	3/21/2025	3/28/2025
2024 (regular)	₱2.30	₱16.57 bn	3/5/2024	3/19/2024	3/26/2024

There are no restrictions that limit the payment of dividends on common shares to stockholders of record as of March 23, 2026.

(4) Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

AboitizPower does not have any recent sales of unregistered or exempt securities including recent issuances of securities constituting an exempt transaction.

Item 6. Management's Discussion and Analysis or Plan of Action

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

Top Five Key Performance Indicators

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

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

Manner of Computation:

Investee's Net Income (Loss) x Investor's % ownership less impairment loss, if any

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

3. **Cash Flow Generated.** Using the Consolidated Statement of Cash Flows, management determines the sources and usage of funds for the period and analyzes how the Group manages its profit and uses its internal and external sources of capital. This helps management in identifying the impact on cash flow when the Group's activities are in a state of growth or decline, and in evaluating management's efforts to control the impact.
4. **Current Ratio.** This liquidity measurement is calculated by dividing total current assets by total current liabilities. It is an indicator of the Group's short-term debt-paying ability; a higher ratio signifies greater liquidity.
5. **Net Debt-to-Equity Ratio.** This ratio indicates the Group's leverage by comparing assets provided by creditors to assets provided by shareholders. It is determined by dividing total interest-bearing debt less cash and cash equivalents, including restricted cash, by total stockholders' equity.

Year Ended December 31, 2025 versus Year Ended December 31, 2024

The table below shows the comparative figures of the key performance indicators for the years ended December 31, 2025 and December 31, 2024:

Key Performance Indicators	December 31, 2025 Audited	December 31, 2024 Audited
<i>Amounts in thousands of ₱s, except for financial ratios</i>		
SHARE IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	19,369,484	15,693,423
EBITDA	72,270,554	71,734,307
CASH FLOW GENERATED:		
Net cash flows from operating activities	51,722,480	46,128,685
Net cash flows used in investing activities	(104,433,623)	(12,702,189)
Net cash flows used in financing activities	54,966,916	(31,380,181)
Net Increase in Cash & Cash Equivalents	2,255,773	2,046,315
Cash & Cash Equivalents, Beginning	56,759,297	54,538,784
Cash & Cash Equivalents, End	58,932,061	56,759,297
CURRENT RATIO	0.8	1.6
NET DEBT-TO-EQUITY RATIO	1.2	0.8

- Share in net earnings in associates and joint ventures for the year 2025 increased 23% compared to 2024. This was primarily driven by a ₱4.36 bn fresh contribution from the Group's investment in CGHI beginning January 2025, but was offset by the lower share in net earnings from GNPD as the Group recognized the full year impact of depreciation and interest expense of GNPD's Units 1 and 2, which started in March 2024.
- EBITDA for 2025 increased by 1%. This was driven by higher margins from the generation segment, primarily attributable to the Company's contracted capacity.
- Cash and cash equivalents increased by ₱2.17 bn mainly due to higher cash generated from operations which remained positive at ₱51.72 bn.
- Current Ratio as of December 31, 2025 was at 0.8x compared to 1.6x as of December 31, 2024. Meanwhile, net debt-to-equity ratio as of December 31, 2025 was at 1.2x, higher than the 0.8x recorded as of December 31, 2024. This change is due to bridge financing for AboitizPower's investments in CGHI and in the CBK HEPP Complex in 2025.

Results of Operations

Net income attributable to equity holders of the parent in 2025 was ₱19.45 bn, which was 43% lower than the ₱33.90 bn reported in 2024. This was primarily due to the non-recurring losses of ₱13.9 bn recognized during the year, mostly related to the partial impairment of goodwill arising from the acquisition of GMEC.

These comprise the significant elements of income or loss from continuing operations.

Power Generation and Retail Electricity Supply (RES)

Energy sold totaled 43,718 GWh for the full year of 2025, a 21% increase from 36,004 GWh in 2024. As a result, the EBITDA of AboitizPower's generation and retail supply business rose by 11% to ₱73.7 bn in 2025, from ₱66.1 bn in 2024.

Power Distribution

Energy sales rose by 4% year-on-year to 6,927 GWh in 2025, compared to 6,631 GWh in 2024. Excluding the impact of one-offs, the EBITDA contribution from the Distribution segment for the full year of 2025 rose by 2% to ₱8.9 bn.

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

Consolidated Statements of Income

Net income attributable to equity holders of the Parent decreased by ₱14.45 bn, or 43% year-on-year. The various movements in line items are shown below to account for the decline:

(Amounts in thousands of ₱s)

Net income attributable to equity shareholders of Parent (for the year ended December 31, 2024)	₱33,900,184
Increase in operating revenues	987,023
Increase in operating expenses	(4,676,227)
Increase in interest income	170,972
Increase in interest expense	(3,387,233)
Increase in share in net earnings of associates and joint ventures	3,676,061
Increase in provision for impairment of property, plant and equipment and goodwill	(14,068,579)
Increase in other income	435,913
Decrease in provision for taxes	1,593,052
Decrease in income attributable to non-controlling interests	818,961
Total	(14,450,057)
Net income attributable to equity shareholders of Parent (for the year ended December 31, 2025)	₱19,450,127

Interest Income

(9% increase from ₱1.97 bn to ₱2.15 bn)

The increase in interest income was primarily due to higher money market placements in 2025.

Interest Expense and other financing costs

(23% increase from ₱14.60 bn to ₱17.99 bn)

The increase was due to short-term loan availments for the acquisition of CGHI and CBK HEPP Complex, issuance of ₱30.00 bn bonds of the Parent Company, as well as additional loan availments to fund ARI projects.

Share in Net Earnings of Associates and Joint Ventures

(23% increase from ₱15.69 bn to ₱19.37 bn)

Share in net earnings in associates and joint ventures increased due to the fresh contribution of ₱4.36 bn from the Investment in CGHI. This was partly tempered by the decline in GNPD as the Group realizes the full year impact of

higher depreciation and interest expense, which commenced in March 2024, as well as lower availability due to plant outages.

Provision (reversal) for Impairment Losses on Property, Plant and Equipment and Goodwill and Other income-net
(811% increase from income of ₱1.68 bn to loss of ₱11.95 bn)

The increase in provision for impairment losses was mainly due to the partial recognition of impairment loss on goodwill from the Company's investment in GMEC due to impairment indicators identified in 2025, including reduced plant reliability and increased market volatility which negatively impacted key assumptions on its recoverable amount.

Provision for Income Tax

(19% decrease from ₱8.21 bn to ₱6.62 bn)

The decline was due to a drop in taxable income driven by higher operating expenses and interest expense partially offset by a slight increase in revenues in 2025.

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

Assets

Total assets as of December 31, 2025 compared to December 31, 2024 rose by ₱105.18 bn, or 20%. The major movements of the accounts leading to the increase were as follows:

- a. Investments and advances rose by ₱63.51 bn, or 66% (from ₱95.93 bn to ₱159.44 bn) mainly driven by the Investment in CGHI and additional equity share from Investments in associates and joint ventures.
- b. Property, plant and equipment increased by ₱15.43 bn, or 7% (from ₱220.16 bn to ₱235.59 bn) primarily due to the growth and planned capital expenditures for the power plants and substation and transmission equipment for the distribution segment.
- c. Other noncurrent assets rose by ₱42.28 bn, or 168% (from ₱25.23 bn to ₱67.51 bn) mainly on account of deposits made for the CBK HEPP asset acquisition.
- d. Trade and other receivables increased by ₱2.10 bn, or 6% (from ₱36.59 bn to ₱38.69 bn), primarily due to higher receivables from power supply contracts and residential customers following the suspension of disconnection due to the impact of typhoon in the covered areas. This is on top of the recognition of additional receivables from the FIT and ASPA adjustments in 2025, following their respective ERC approvals.
- e. Intangible assets declined by ₱20.02 bn, or 39% (from ₱51.86 bn to ₱31.84 bn) primarily attributable to the Impairment of GMEC goodwill recognized during the year.
- f. Inventories declined by ₱1.01 bn or 7% (from ₱14.25 bn to ₱13.34 bn) driven by lower cost of coal shipments.
- g. Derivative assets (liabilities) - net increased by ₱206.00 mn or 254% (from ₱81.03 mn to ₱287.03mn) due to ARI's new option contracts to manage the foreign currency risk as well as higher hedging gains from its dollar hold, offset by the actualization of hedge related to the Investment in CGHI.

Liabilities

Compared to December 31, 2024, total liabilities as of December 31, 2025 increased by ₱106.44 bn, or 35%. The major movements of accounts leading to the increase were as follows:

- a. Short-term loans increased by ₱54.97 bn, or 220% (from ₱25.04 bn to ₱80.01 bn) coming from the loan availments for the purchase of the investment in CGHI and CBK HEPP Complex assets.
- b. Long-term debt (current and non-current portions) increased by ₱33.82 bn (from ₱213.72 bn to ₱247.54 bn) mainly due to the ₱30.00 bn issued bonds of the Parent Company to refinance the 2020 and 2021 higher

rate bonds, early redemption of the 2018 Series C bonds and partially refinance the short-term loans related to the CGHI acquisition. New loans were also availed by TVI for Unit 3 construction and by the ARI group to fund their ongoing projects.

- c. Trade and other payables increased by ₱13.10 bn, or 37% (from ₱35.71 bn to ₱48.80 bn) mainly on account of contingent consideration related to CGHI acquisition, as well as higher payables for construction project and accrued expenses for purchased power.
- d. Other noncurrent liability increased by 100% (from nil to ₱2.99 bn). This pertains to the noncurrent portion of CGHI's contingent consideration.
- e. Customers' deposits increased by ₱1.24 bn, or 13% (from ₱9.52 bn to ₱10.75 bn) due to receipt of bill deposits from customers of the distribution segment.
- f. Lease liabilities (current and noncurrent portions) increased by ₱532.63 mn (from ₱4.45 bn to ₱4.98 bn) due to lease agreement for a new facility in 2025.
- g. Income tax payable declined by ₱260.13 mn, or 19% (from ₱1.34 bn to ₱1.08 bn) due to lower taxable income.
- h. Net pension liability (asset) - net declined by ₱150.65 mn (from ₱811.54 mn to ₱660.89 mn) due to contributions to the retirement fund.
- i. Net deferred income tax liabilities (assets) - net changed by ₱238.33 mn (from ₱4.14 bn to ₱4.38 bn) mainly on account of utilization and expiration of TMO's deferred tax asset on its net operating loss carryover (NOLCO).

Equity

Equity attributable to the shareholders of the Parent declined by ₱2.51 bn or 1%. This was mainly due to the downward adjustment of cumulative translation adjustments during the year of ₱5.90 bn, mostly from the reversal of translation adjustments related to the GMEC goodwill impairment. Total decline was partly offset by higher retained earnings of ₱2.52 bn, which is the combined impact of the ₱19.45 bn net income, offset by the dividend distribution of ₱16.93 bn during the year.

Material Changes in Liquidity and Cash Reserves of Registrant

As of December 31, 2025, the Group's cash and cash equivalents increased by 4% to ₱58.93 bn, from ₱56.76 bn as of December 31, 2024.

Net cash flows from operating activities increased from ₱46.12 bn in 2024 to ₱51.72 bn in 2025, primarily due to higher working capital adjustments. Meanwhile, net cash used in investing activities rose from ₱12.70 bn to ₱104.43 bn primarily on account of investment in CGHI and CBK HEPP Complex in 2025 and higher capital expenditures partially offset by lower other noncurrent assets. Net cash flows provided by financing activities ended at ₱54.97 bn (from net cash used in financing activities of ₱31.38 bn in 2024). This was mainly attributable to the ₱30.00 bn bond issuance of the Parent Company, bridge loan for the acquisition of CGHI and CBK HEPP Complex, and new loan availments of the ARI group and TVI for their projects, partly countered by higher interest payments in 2025 due to new loan availments.

There are no events that will trigger direct or contingent financial obligations that are material to the Company, including any default or acceleration of an obligation, except those discussed under Item 3 – Legal Proceedings of this Definitive Information Statement.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unsolicited entities or other persons created in 2025.

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

AboitizPower is focused on providing reliable energy supply to its customers at a reasonable cost and with minimal impact on the environment and on the communities where it operates. The Company believes that to effectively and sustainably address the country's power requirements, a mix of power generation technologies is necessary. For this reason, AboitizPower pursues both renewable energy (RE) projects and thermal technologies where and when it makes sense.

Despite the increased competition in the domestic power generation sector, AboitizPower believes it has the foundation to sustain its long-term growth through expanding its portfolio of baseload and RE generation assets.

Given the current trajectory of power demand in the Philippines and the expected build progression of new plants over the next decade, AboitizPower believes its existing coal assets continue to play an integral role and constantly seeks improvements to ensure it operates these assets responsibly and in compliance with all relevant regulations. The Company is closely and proactively monitoring the developments in climate-related regulations and initiatives, including the coal moratorium of the DOE and ongoing discussions on the early retirement of coal plants in the Philippines and Indonesia. Through its parent company, AEV, AboitizPower is the first Philippine company to sign up and commit to the Task Force on Climate-Related Financial Disclosure framework. The Company has taken steps to proactively quantify the potential impacts of various climate regulations on its assets and continues to invest in efforts to manage risks that are above certain thresholds.

As of March 2026, AboitizPower brought 817 MW of solar, BESS, and binary projects in its renewable energy pipeline into operation, with construction ongoing on an additional solar plant, five more BESS projects, and a wind power plant. In 2025, AboitizPower was also awarded 639.5 MW of solar, floating solar, and wind projects in the government's most recent Green Energy Auction. AboitizPower's growing renewable energy portfolio should enable the Company to maximize opportunities arising from the DOE's implementation of the Renewable Portfolio Standards, which mandates power distribution utilities, electric cooperatives, and retail electricity suppliers to source 35% of their energy supply from RE facilities by 2030 and 50% by 2040.

AboitizPower continues to pursue investment opportunities that support the Philippines' long-term energy requirements and strengthen its power generation portfolio.

In 2025, the Company formally entered the LNG sector following the completion of its acquisition of a 40% equity interest in CGHI. CGHI holds a 67% interest in two gas-fired power plants and an LNG import and regasification terminal. The transaction was approved by the Philippine Competition Commission (PCC) on December 23, 2024 and was completed on January 27, 2025.

On February 12, 2025, AboitizPower started construction on Unit 3 of TVI, which will add another 150MW of coal-fired baseload capacity to the supply-constrained Visayas Grid by 2027.

On July 4, 2025, the Company, through its wholly owned Subsidiary ARI, together with its consortium partners Electric Power Development Co., Ltd. (J-Power) and Sumitomo Corporation (collectively, the "Thunder Consortium"), was declared the highest-ranking bidder by the PSALM Privatization Bids and Awards Committee for the 797 MW Caliraya-Botocan-Kalayaan Hydroelectric Power Plant Complex. Following receipt of PCC approval on November 28, 2025, the transaction was completed on December 19, 2025, and the asset was turned over on February 8, 2026.

On October 30, 2025, the Company announced its acquisition of a 25% equity interest in Van Phong Power Company Limited (VPCL) from Sumitomo Corporation. VPCL owns and operates a 1,320 MW high-efficiency, low-emission coal-fired power plant located in Khánh Hòa Province, Vietnam. This transaction represents the Company's first major investment outside the Philippines. The completion of the transaction remains subject to customary closing conditions, including the receipt of required regulatory approvals in Vietnam.

The Company believes that its balance sheet gives it the capability to build or acquire additional generating capacity over the next few years.

AboitizPower, together with its partners, has set aside ₱62 billion for 2026 capital expenditures, with a primary focus on progressing its RE and BESS pipeline, particularly those awarded under GEA 4.

Other known trends, events, uncertainties which may have a material impact on AboitizPower have been discussed extensively in sections of the Company's Information Statement (e.g. for an extensive discussion on regulatory issues, see *Effect of Existing or Probable Government Regulations on the Business* on page 40 of this SEC Form 17-A (Annual Report)).

Year Ended December 31, 2024 versus Year Ended December 31, 2023

The table below shows the comparative figures of the key performance indicators for the ended December 31, 2024 and December 31, 2023:

Key Performance Indicators	December 31, 2024	December 31, 2023
	Audited	Audited
<i>Amounts in thousands of ₱s, except for financial ratios</i>		
SHARE IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES		
	15,693,423	19,817,774
EBITDA	71,734,307	67,913,578
CASH FLOW GENERATED:		
Net cash flows from operating activities	46,128,685	50,268,979
Net cash flows used in investing activities	(12,702,189)	(15,086,375)
Net cash flows used in financing activities	(31,380,181)	(45,434,740)
Net (Decrease)/Increase in Cash & Cash Equivalents	2,046,315	(10,252,136)
Cash & Cash Equivalents, Beginning	54,538,784	64,763,642
Cash & Cash Equivalents, End	56,759,297	54,538,784
CURRENT RATIO	1.6	1.8
NET DEBT-TO-EQUITY RATIO	0.8	0.9

- Share in net earnings in associates and joint ventures for 2024 decreased by 21% compared to 2023 mainly due to the recognition of depreciation and interest for GNPD Units 1 and 2, and lower availability due to planned outages.
- EBITDA for 2024 increased by 6%. This was primarily due to higher generation portfolio margins and additional capacities from the 159 MW Laoag and 94 MW Cayanga Solar Plants.
- Cash and cash equivalents increased by ₱2.22 bn. This was mainly due to dividends received from associates and joint ventures, and the availing of new loans for the Company's renewable energy (RE) projects partly offset by the payment of dividends in the first quarter of 2024.
- Current Ratio as of December 31, 2024 was at 1.6x compared to 1.8x as of December 31, 2023. The decrease was primarily due to the reclassification of long-term debt from non-current to current which will mature in 2025 that resulted in higher current liabilities.
- Net Debt-to-Equity Ratio as of December 31, 2024 was at 0.8x, lower than the 0.9x recorded as of December 31, 2023.

Results of Operations

Net income attributable to equity holders of the parent in 2024 was ₱33.90 bn, which was 2% higher than the ₱33.10 bn reported in 2023. The increase was primarily due to higher generation portfolio margins and additional capacities from the 159 MWp Laoag and 94 MWp Cayanga Solar Plants. This translated to earnings per share of ₱4.70 for the year.

These comprise the significant elements of income or loss from continuing operations.

Power Generation and Retail Electricity Supply (RES)

AboitizPower's Generation and Retail Supply business' beneficial EBITDA in 2024 was ₱66.7 bn, 11% higher than the ₱59.9 bn in 2023. This was driven by higher portfolio margins, the energization of the Laoag solar plants, and the full-year contribution of the Company's Cayanga solar plant. Energy sold reached 36,004 gigawatt-hours (GWh), which is flat compared to 2023.

Power Distribution

For the full year of 2024, the beneficial EBITDA of AboitizPower's Distribution business was 13% higher than in 2023, driven by higher energy sales. Energy sales rose due to the higher demand driven by the effect of the El Niño phenomenon. Energy sales from Residential and Commercial, and Industrial customers increased by 13% and 5% year-on-year, respectively.

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

Consolidated Statements of Income

Net income attributable to equity holders of the Parent increased by ₱798.00 mn, or 2% year-on-year. The various movements in line items are shown below to account for the increase:

(Amounts in thousands of ₱s)

Net Income Attributable to Equity Holders of the Parent (January - December 2023)	₱33,101,720
Decrease in operating revenues	(9,607,640)
Decrease in operating expenses	19,017,473
Increase in interest income	306,966
Increase in interest expense	(439,077)
Decrease in share in net earnings of associates and joint ventures	(4,124,351)
Decrease in other income	(2,952,724)
Increase in provision for taxes	(936,071)
Increase in income attributable to non-controlling interests	(466,112)
Total	798,464
Net Income Attributable to Equity Holders of the Parent (January - December 2024)	₱33,900,184

Operating Revenues

(5% decrease from ₱207.10 bn to ₱197.49 bn)

The decrease in operating revenues was primarily due to lower spot prices.

Operating Expenses

(11% decrease from ₱175.31 bn to ₱156.30 bn)

The decrease in operating expenses was mainly due to lower fuel costs.

Interest Income

(18% increase from ₱1.67 bn to ₱1.97 bn)

The increase in interest income during the year of 2024 as compared to 2023 was primarily due to higher money market placements.

Interest Expense and other financing costs

(3% increase from ₱14.16 bn to ₱14.60 bn)

The increase in interest expense in 2024 as compared to 2023 was primarily due to the recognition of interest for Cayanga Solar Plants.

Share in Net Earnings of Associates and Joint Ventures

(21% decrease from ₱19.82 bn to ₱15.69 bn)

Share in net earnings in associates and joint ventures for 2024 decreased by 21%, as compared to 2023. The decrease was mainly due to the recognition of depreciation and interest for GNPD Units 1 and 2, and lower availability due to planned outage in 2024.

Other Income (Expenses) – net

(64% decrease from ₱4.63 bn to ₱1.68 bn)

Other income decreased due to non-recurring gains on insurance claims recognized in 2023.

Provision for Taxes

(13% increase from ₱7.28 bn to ₱8.21 bn)

The increase in provision for taxes during 2024 was due to higher taxable income subject to income tax during the year of 2024.

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

Total assets as of December 31, 2024 compared to December 31, 2023 increased by ₱30.59 bn, or 6%. The major movements of the accounts leading to the increase were as follows:

- a. Cash and cash equivalents increased by ₱2.22 bn, or 4% (from ₱54.54 bn to ₱56.76 bn). This was mainly due to dividends received from associates and joint ventures and new loans availed for the Company's RE projects, partly offset by dividend payments in the first quarter of 2024.
- b. Trade and other receivables increased by ₱2.35 bn, or 7% (from ₱34.25 bn to ₱36.59 bn), primarily due to the accrual of the balance 70% revenue on the March 2024 reserve market billing.
- c. Inventories increased by ₱576.00 mn or 4% (from ₱13.68 bn to ₱14.25 bn). This was mainly driven by the increase in the plant spare parts and supplies.
- d. Investments and advances increased by ₱4.29 bn, or 5% (from ₱91.64 bn to ₱95.93 bn). This was mainly driven by the take up of share in earnings from associates in 2024.
- e. Property, plant and equipment slightly increased by ₱10.43 bn, or 5% (from ₱209.73 bn to ₱220.16 bn). This was primarily due to the growth and planned capital expenditures for the renewable power projects.
- f. Intangible assets increased by ₱2.10 bn, or 4% (from ₱49.76 bn to ₱51.86 bn). This was primarily due to the forex revaluation of GMEC's goodwill.
- g. Net pension assets increased by ₱38.00 mn, or 94% (from ₱40.00 mn to ₱78.00 mn). This was mainly due to higher contributions made during the year 2024.
- h. Other noncurrent assets increased by ₱6.51 bn, or 35% (from ₱18.72 bn to ₱25.23 bn). This was primarily due to the increase in advances to contractors driven by the growth in renewable power projects and TLI's prepayment for PSALM Pagbilao land lease agreement in December 2024.

Liabilities

Compared to December 31, 2023, total liabilities as of December 31, 2024 slightly increased by ₱8.67 bn, or 3%. The major movements of accounts leading to the increase were as follows:

- a. Short-term loans increased by ₱5.08 bn, or 25% (from ₱19.96 bn to ₱25.04 bn). This was mainly due to the loan availments by the Group in 2024, which were used for working capital requirements.

- b. Trade and other payables increased by ₱2.84 bn, or 9% (from ₱32.87 bn to ₱35.71 bn). This was primarily due to the first time consolidation of Potentia which pertains to insurance liabilities.
- c. Income tax payable increased by ₱865.00 mn, or 183% (from ₱473.00 mn to ₱1.34 bn). This was mainly due to higher taxable income.
- d. Customers' deposits increased by ₱654.00 mn, or 7% (from ₱8.86 bn to ₱9.52 bn). This was mainly due to the receipt of bill deposits from new customers of the Retail Energy Supply.
- e. Decommissioning liability decreased by ₱2.10 bn, or 29% (from ₱7.36 bn to ₱5.26 bn). This was mainly due to adjustments in the decommissioning provisions on power plant assets of APRI.
- f. Long-term debt (current and non-current portions) decreased by ₱552.00 mn (from ₱214.27 bn to ₱213.72 bn). This was mainly due to regular debt servicing across the Group partly offset by new loans to support renewable power projects.
- g. Lease liabilities (current and noncurrent portions) increased by ₱1.53 bn (from ₱2.91 bn to ₱4.45 bn). This was mainly due to the land lease agreement between ASPI and Calatrava Sugar Alliance, Inc.
- h. Long-term obligation on power distribution system (current and noncurrent portions) decreased by ₱25.00 mn (from ₱123.00 mn to ₱97.00 mn) due to Subic Enerzone's regular payment.
- i. Net derivative asset and liability changed by ₱207.00 mn (from ₱126.00 mn liability to ₱81.00 mn asset) during 2024 due to net hedging gains.
- j. Net deferred income tax assets and liabilities changed by ₱653.00 mn (from ₱1.34 bn to ₱1.33 bn asset and from ₱4.83 bn to ₱5.48 bn liability).. This was mainly due to the reversal of TLI's deferred tax asset on prepayment of lease liability and transfer value made to PSALM.

Equity

Equity attributable to equity shareholders of the Parent increased by 13% (from ₱180.14 bn as of December 31, 2023 to ₱203.23 bn as of December 31, 2024) mainly due to the higher generation portfolio margins and additional capacities from the 159 MW Laoag and 94 MW Cayanga Solar Plants in 2024. Cumulative translation adjustments increased by ₱3.16 bn, due to the upward net adjustment in the net assets translation effect of GMEC and LHC during the period. Cash flow hedge reserve increased by ₱335.00 mn, due to the upward net adjustment in the fair value of the Group's foreign currency forward, interest swap and commodity swap contracts.

Material Changes in Liquidity and Cash Reserves of Registrant

As of December 31, 2024, the Group's cash and cash equivalents increased by 4% to ₱56.76 bn, from ₱54.54 bn as of December 31, 2023.

Net cash flows from operating activities decreased from ₱50.27 bn during the year of 2023 to ₱46.13 bn during the year 2024, primarily due to increased cash outflows related to accounts payable.

Net cash flows used in investing activities decreased from ₱15.09 bn during 2023 to ₱12.70 bn during 2024, mainly due to higher cash dividends received from associates and joint ventures, partially offset by higher scheduled capital expenditures for the renewable power projects.

The net cash flows used in financing activities decreased from ₱45.43 bn during 2023 to ₱31.38 bn during 2024 mainly due to higher payments of cash dividends and lower availment of long-term debt during the year.

There are no events that will trigger direct or contingent financial obligations that are material to the Company, including any default or acceleration of an obligation, except those discussed under Item 3 – Legal Proceedings of this SEC Form 17-A (Annual Report).

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unsolicited entities or other persons created in 2024.

Year Ended December 31, 2023 versus Year Ended December 31, 2022

The table below shows the comparative figures of the key performance indicators for the year ended December 31, 2023 and December 31, 2022:

Key Performance Indicators	December 31, 2023	December 31, 2022
	Audited	(As restated)
<i>Amounts in thousands of ₱s, except for financial ratios</i>		
SHARE IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	19,817,774	15,134,970
EBITDA	67,913,578	57,596,836
CASH FLOW GENERATED:		
Net cash flows from operating activities	50,268,979	34,213,337
Net cash flows used in investing activities	(15,086,374)	(11,442,216)
Net cash flows used in financing activities	(45,434,740)	(14,475,876)
Net (Decrease)/Increase in Cash & Cash Equivalents	(10,252,136)	8,295,246
Cash & Cash Equivalents, Beginning	64,763,642	57,130,243
Cash & Cash Equivalents, End	54,538,784	64,763,642
CURRENT RATIO	1.8	1.8
NET DEBT-TO-EQUITY RATIO	0.9	1.00

- Share in net earnings in associates and joint ventures for the year 2023 increased by 31% compared to 2022. The increase was mainly due to fresh contributions from GNPowr Dinginin Ltd. Co. (GNPD).
- EBITDA for the year 2023 increased by 18%. This was primarily due to fresh contributions from GNPD Units 1 and 2 and higher availability across the Company's generation portfolio.
- Cash and cash equivalents as of end-2023 decreased by ₱10.2 billion (bn) compared to end-2022. This was mainly due to the prepayment by TLI of its remaining lease obligations to PSALM and the acquisition of treasury shares by AboitizPower.
- Current Ratio as of December 31, 2023 was at 1.79x as compared to 1.78x as of December 31, 2022.
- Net Debt-to-Equity Ratio as of December 31, 2023 was at 1.51x, lower than the 1.68x recorded as of December 31, 2022.

Results of Operations

Core net income for the full year 2023 was ₱32.0 bn, 29% higher than the ₱24.8 bn recorded in 2022. The increase was primarily due to fresh contributions from GNPD and higher availability across the Company's generation portfolio. The Company's reported net income for the full year 2023 was ₱33.1 bn, 27% higher than the reported net income of ₱26.0 bn for 2022.

These comprise the significant elements of income or loss from continuing operations.

Power Generation and Retail Electricity Supply (RES)

AboitizPower's generation and retail supply business recorded EBITDA of ₱61.3 bn in 2023, 20% higher than the ₱51.2 bn recorded in 2022. This was primarily due to fresh contributions from GNPD and higher availability across the

Company's portfolio. Energy volume sold in 2023 increased by 17% to 35,372 gigawatt-hours (GWh) compared to 30,251 GWh in 2022.

Power Distribution

During 2023, AboitizPower's distribution business recorded EBITDA of ₱8.7 bn, 8% higher than the ₱8.0 bn recorded in 2022. Energy sales increased by 6% to 6,157 GWh in 2023, compared to 5,785 GWh in 2022. Energy sales from the Residential customer segment was higher by 8% and Commercial and Industrial energy sales were higher by 6%, due to recoveries in demand in the areas affected by Typhoon Odette and resurgence of energy sold back to pre-pandemic level.

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

Consolidated Statements of Income

Net income attributable to equity holders of the Parent increased by ₱7.10 bn, or 27% YoY. The various movements in line items are shown below to account for the increase:

(Amounts in thousands of ₱s)

Net Income Attributable to Equity Holders of the Parent (January - December 2022)	₱25,998,668
Increase in operating revenues	13,106,309
Increase in operating expenses	(11,124,204)
Increase in interest income	998,582
Increase in interest expense	(741,298)
Increase in share in net earnings of associates and joint ventures	4,682,804
Increase in other income	4,118,484
Increase in provision for taxes	(2,575,860)
Increase in income attributable to non-controlling interests	(1,351,766)
Total	7,103,051
Net Income Attributable to Equity Holders of the Parent (January - December 2023)	₱33,101,719

Operating Revenues

(7% increase from ₱193.99 bn to ₱207.10 bn)

The increase in operating revenues was primarily due to higher availability across the Company's generation portfolio.

Operating Expenses

(7% increase from ₱164.19 bn to ₱175.31 bn)

The increase in operating expenses was mainly due to the higher cost of purchased power and of generated power. This is consistent with the higher operating revenues discussed above.

Interest Income

(146% increase from ₱679.00 mn to ₱1.67 bn)

The increase in interest income was primarily due to higher interest rates on money market placements.

Interest Expense and other financing costs

(6% increase from ₱13.42 bn to ₱14.16 bn)

Interest expense increased due to higher levels of long-term debt as of December 31, 2023 as compared to December 31, 2022.

Share in Net Earnings of Associates and Joint Ventures

(31% increase from ₱15.13 bn to ₱19.82 bn)

Share in net earnings in associates and joint ventures for the year of 2023 increased by 31%, as compared to 2022. The increase was mainly due to the fresh contributions from GNPD.

Other Income (Expenses) – net

(reversal from expenses of ₱515.00 mn to income of ₱4.63 bn)

The reversal from expenses to income during year 2023 as compared to year 2022 was mainly due to the additional investment in STEAG State Power, Inc.²¹ (SPI). The increase in the Company's stake from 34% to 69.4% resulted in recording a bargain purchase gain. Additional increase in other income was also due to the recognition of the business interruptions (BI) claims for the GNPowder Mariveles Energy Center Ltd. Co. (GMEC), Hedcor Bukidnon Inc. (HBI), Hedcor Inc. (HI), and AP Renewables Inc. (APRI) plant outages.

Provision for Taxes

(55% increase from ₱4.70 bn to ₱7.28 bn)

The increase in provision for taxes during 2023 was due to higher taxable income and the reversal of TLI's deferred tax asset on PSALM lease obligations due to the prepayment by TLI to PSALM on November 2023 of the remaining lease payments.

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

Assets

Total assets as of December 31, 2023 compared to December 31, 2022 increased by ₱9.65 bn, or 2%. The major movements of the accounts leading to the increase were as follows:

- a. Cash and cash equivalents decreased by ₱10.22 bn, or 16% (from ₱64.76 bn to ₱54.54 bn). This was mainly due to prepayment of TLI PSALM lease and acquisition of treasury shares.
- b. Trade and other receivables decreased by ₱1.10 bn, or 3% (from ₱35.34 bn to ₱34.25 bn). This was primarily due to higher collection efficiency.
- c. Inventories decreased by ₱2.45 bn or 15% (from ₱16.12 bn to ₱13.68 bn). This was mainly driven by the decrease in fuel inventory due to lower indices.
- d. Derivative assets (current and non-current portions) decreased by ₱2.56 bn or 88% (from ₱2.91 bn to ₱0.36 bn). This was mainly due to the maturity of derivatives and prepayment of TLI PSALM lease.
- e. Other current assets decreased by ₱1.09 bn, or 8% (from ₱14.08 bn to ₱12.99 bn). This was mainly due to the lower debt service reserve account and utilization of prepaid taxes.
- f. Investments and advances increased by ₱13.71 bn, or 18% (from ₱77.93 bn to ₱91.64 bn). This was mainly due to fresh contributions from GNPD.
- g. Property, plant and equipment slightly increased by ₱2.87 bn, or 1% (from ₱206.86 bn to ₱209.73 bn). This was primarily due to the planned capital expenditures for the renewable power projects, partly offset by the depreciation of existing assets.
- h. Other noncurrent assets increased by ₱10.33 bn, or 123% (from ₱8.39 bn to ₱18.72 bn). This was primarily due to the first-time consolidation of SPI, bulk of which pertains to service concession agreement.

²¹ Now: SPI Power Incorporated

Liabilities

Compared to December 31, 2022, total liabilities as of December 31, 2023 decreased by ₱6.19 bn, or 2%. The major movements of accounts leading to the decrease were as follows:

- a. Short-term loans decreased by ₱1.44 bn, or 7% (from ₱21.40 bn to ₱19.96 bn). This was mainly due to loan payments by the Group.
- b. Derivative liabilities (current and non-current portions) increased by ₱34 mn, or 8% (from ₱447 mn to ₱482 mn). This was primarily due to net hedging losses.
- c. Income tax payable decreased by ₱20.00 mn, or 4% (from ₱493.00 mn to ₱473.00 mn). This was mainly due to lower taxable income.
- d. Customers' deposits increased by ₱718.00 mn, or 9% (from ₱8.14 bn to ₱8.86 bn). This was mainly due to the receipt of bill deposits from new customers of the Retail Energy Supply and Distribution Utilities segments.
- e. Long-term debt (current and non-current portions) increased by ₱14.82 bn, or 7% (from ₱199.45 bn to ₱214.27 bn). This was mainly due to new loans to support renewable energy projects and to prepay TLI's lease obligations to PSALM, which were partly offset by regular debt servicing across the Group.
- f. Lease liabilities (current and noncurrent portions) decreased by ₱24.63 bn, or 89% (from ₱27.54 bn to ₱2.91 bn). This is mainly due to the prepayment by TLI of its lease obligations to PSALM.
- g. Long-term obligation on power distribution system (current and noncurrent portions) decreased by ₱23.00 mn, or 16% (from ₱145.00 mn to ₱123.00 mn), due to Subic Enerzone's regular payment.
- h. Decommissioning liability increased by ₱1.71 bn, or 30% (from ₱5.65 bn to ₱7.36 bn). This was mainly due to adjustments in the decommissioning provisions on power plant assets of APRI.
- i. Net pension liabilities (net of pension assets) increased by ₱346.00 mn, or 67% (from ₱516.00 mn to ₱863.00 mn), mainly due to higher current service cost based on the new actuarial studies across the Group.
- j. Deferred income tax liabilities (net of deferred income tax assets) increased by ₱2.20 bn, or 171% (from ₱1.29 bn to ₱3.49 bn). This was mainly due to the IAS 12 adoption of recognizing deferred income tax liabilities on TLI's right-of-use (ROU) assets and to the first-time consolidation of SPI.

Equity

Equity attributable to equity shareholders of the Parent increased by 7% (from ₱169.06 bn as of December 31, 2022 to ₱180.14 bn as of December 31, 2023) mainly due to fresh contributions from GNPD and higher availability across the Company's generation portfolio. Cash flow hedge reserve decreased by ₱2.92 bn primarily due to the maturity of TLI's commodity swap contracts. Cumulative translation adjustments and share in other comprehensive income of associates and joint ventures decreased by ₱0.3 bn, due to the downward net adjustment in the net assets translation effect of GMEC and GNPD during the year.

Material Changes in Liquidity and Cash Reserves of Registrant

As of December 31, 2023, the Group's cash and cash equivalents decreased by 16% to ₱54.54 bn, from ₱64.76 bn as of December 31, 2022.

Higher EBITDA and lower working capital requirements resulted in higher cash generated from operations during the year of 2023 by ₱16.05 bn, which was a 47% increase compared to the year of 2022.

Net cash flows used in investing activities increased from ₱11.44 bn in 2022 to ₱15.09 bn in 2023, mainly due to the higher scheduled capital expenditures for the renewable power projects.

The net cash flows used in financing activities increased from ₱14.48 bn in 2022 to ₱45.43 bn in 2023, mainly due to TLI prepayment of lease obligations and acquisition of treasury shares.

There are no events that will trigger direct or contingent financial obligations that are material to the Company, including any default or acceleration of an obligation, except those discussed under Item 3 – *Legal Proceedings* of this Information Statement.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created in 2023.

Item 7. Financial Statements

The audited consolidated financial statements of AboitizPower will be incorporated herein by reference. The schedules listed in the accompanying Index to Supplementary schedules are filed as part of this SEC Form 17-A (Annual Report).

Seasonal aspects that have material effect on the Financial Statements have been discussed under *Major Risk/s Involved in the Business* in Part I Item 1 (xv) of this SEC Form 17-A (Annual Report).

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has engaged the services of SGV during the two most recent fiscal years. There were no disagreements with SGV on accounting and financial disclosure.

Information on Independent Public Accountant

As a matter of policy, the Board Audit Committee (the "Audit Committee") selects, monitors, and reviews the independence, performance and effectiveness, scope of work, fees, and remuneration of external auditors, in consultation with the Chief Executive Officer, the Chief Financial Officer, and the Group Internal Audit Head. Where appropriate, the Audit Committee may recommend to the Board of Directors the re-appointment or replacement of the current external auditor.

During the March 5, 2026 Board Meeting, the Chairman of the Audit Committee, Mr. Antonio A. Canova, reported to the Board that the Audit Committee evaluated and assessed the previous year's performance of the Company's external auditor, SyCip Gorres Velayo & Co. (SGV). Based on the results of its evaluation, the Audit Committee advised the Board of Directors that it is satisfied with SGV's performance for the previous year and recommended SGV's re-appointment as the Company's external auditor for 2026.

The Board of Directors discussed the Audit Committee's recommendation, and after discussion, approved the re-appointment of SGV. The Board of Directors will endorse to the shareholders the re-appointment of SGV as the Company's external auditor for 2026.

The accounting firm of SGV has been AboitizPower's Independent Public Accountant for the last 27 years. Ms. Jhoanna Feliza C. Go is AboitizPower's audit partner from SGV since 2022. AboitizPower complies with the requirements of Section 3(b)(ix) of SRC Rule 68 on the rotation of external auditors or signing partners and the two-year cooling-off period. There was no event in the past 27 years wherein AboitizPower and SGV or its handling partner had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Representatives of SGV will be present during the 2026 ASM and will be given the opportunity to make a statement if they so desire. They are also expected to respond to appropriate questions, if needed.

The Chairman of the Audit Committee is Mr. Antonio A. Canova. The other members are Messrs. Eric Ramon O. Recto, Cesar G. Romero, and Hon. Estela Perlas-Bernabe, Independent Directors, and Mr. Izumi Kai, who is a Non-Executive Director of AboitizPower.

External Audit Fees and Services

The following table sets out the aggregate fees billed to the Company for each of the last two years for professional services rendered by SGV.

Year ended	Audit Fees	Non Audit Fees	
		Other Assurance Service Fees	Tax-related Service Fees
December 31, 2025	₱985,000	₱13,250,000	₱505,943
December 31, 2024	₱1,193,500	₱6,000,000	₱102,000

AboitizPower engaged SGV to audit its 2025 and 2024 annual financial statements. SGV was also engaged to conduct quarterly financial results for bond issuance readiness. The Company also engaged SGV to provide tax compliance services in relation to the Company's preparation of BIR Form 1709 and transfer pricing documentation.

As a policy, the Audit Committee makes recommendations to the Board of Directors concerning the choice of external auditor and pre-approves audit plans, scope, and frequency before the audit is conducted.

Audit services of SGV for 2025 and 2024 were pre-approved by the Audit Committee. The Audit Committee also reviewed the extent and nature of these services to ensure that the independence of the external auditors was preserved. SGV does not have any direct or indirect interest in the Company.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has engaged the services of SGV during the two most recent fiscal years. There are no disagreements with SGV on accounting and financial disclosure.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers

a. Directors and Officers for 2025-2026

(1) Directors for 2025-2026

As of February 28, 2026, the Company's Board is composed of nine directors, three of whom are Independent Directors, five are Non-Executive Directors, and one Executive Director. Below are the profiles of each director for 2025-2026 with their corresponding positions, offices, and business experience held for the past five years, as of February 28, 2026. All directors were elected during AboitizPower's 2025 ASM to serve for a term of one year, and until their successors are duly elected and qualified.

SABIN M. ABOITIZ

Chairman of the Board

Non-Executive Director

Age: 61 years old

Citizenship: Filipino

Date of First Appointment: April 26, 2021

Tenure: 4 years

Committee Memberships:

Member	Board Cyber and Information Security Committee <i>(since April 26, 2021)</i>
	Board Corporate Governance and Sustainability Committee <i>(previously, Board Environmental, Social and Corporate Governance Committee) (since April 26, 2021)</i>
	Board Executive Committee <i>(since April 26, 2021)</i>
	Board Risk and Reputation Management Committee <i>(since April 25, 2024)</i>
	Board Nominations and Compensation Committee <i>(since October 28, 2025)</i>

Present Positions:

Chairman of the Board	Aboitiz Power Corporation*
	Aboitiz Foundation, Inc.
	Advanced Data Innovation, Inc.
	Aboitiz Land, Inc.
	Aboitiz Impact Ventures, Inc.
	CRH Aboitiz Holdings, Inc.
	Tenfold Ventures Corporation
President and Chief Executive Officer	Aboitiz Equity Ventures Inc.*
	Aboitiz & Company, Inc.
President	AEV CRH Holdings, Inc.
	AEV Aviation, Inc.
Director	Aboitiz Data Innovation Pte. Ltd.
	Aboitiz Foods Holdings, Inc.
	Aboitiz InfraCapital, Inc.
	AEV International Pte Ltd.
	CCEP Aboitiz Beverages Philippines, Inc.
	City Savings Bank, Inc.
	Lima Land, Inc.
	Pilmico Animal Nutrition Corporation
	Pilmico Foods Corporation

	Republic Cement & Building Materials, Inc.
	Republic Cement Services, Inc.
	Unity Digital Infrastructure Inc.
	Union Bank of the Philippines, Inc. *
	UnionDigital Bank, Inc.
Lead Convenor	Private Sector Advisory Council
Member	APEC Business Advisory Council Philippines (ABAC)
* A publicly listed company	
Previous Positions:	
First Vice President	Aboitiz Equity Ventures Inc.
Senior Vice President	
Executive Vice President and	
Chief Operating Officer	
Educational Background:	
College	Business Administration, Major in Finance Gonzaga University, Spokane, Washington, U.S.A.
Mr. Aboitiz is not connected with any Philippine government agency or instrumentality.	

ERIC RAMON O. RECTO	
Vice Chairman of the Board	
Lead Independent Director	
<u>Age:</u> 62 years old	
<u>Citizenship:</u> Filipino	
<u>Date of First Appointment:</u> May 21, 2018	
<u>Tenure:</u> 7 years	
Committee Memberships:	
Chairman	Board Cyber and Information Security Committee <i>(since April 26, 2021)</i>
Member	Board Corporate Governance and Sustainability Committee <i>(previously, Board Environmental, Social and Corporate Governance Committee) (since May 21, 2018)</i>
	Board Audit Committee <i>(since January 27, 2025)</i>
	Board Related Party Transactions Committee <i>(since April 28, 2025)</i>
	Board Risk and Reputation Management Committee <i>(since April 28, 2025)</i>
Present Positions:	
Vice Chairman of the Board/ Lead Independent Director	Aboitiz Power Corporation*
Chairman of the Board	Philippine Bank of Communications*
	Pylon Holdings Corporation
	Eight-8-Ate Holdings, Inc.
Chairman of the Board and President	Bedfordbury Development Corporation
Chairman of the Board and Chief Executive Officer	Atok-Big Wedge Co., Inc. *
Vice Chairman	Alphaland Corporation
Director	DITO CME Holdings Corp.*

	Miescor Infrastructure Development Corporation
	PXP Energy Corporation*
Independent Director	PH Resorts Group Holdings, Inc.*
	Manila Water Company, Inc.*
	Sun Life of Canada (Philippines), Inc.
Senior Adviser	Stonepeak Infrastructure Partners

* A publicly listed company

Previous Positions:

Chairman of the Board and Chief Executive Officer	Alphaland Corporation
President	Top Frontier Investment Holdings, Inc.
Director	Manila Electric Company
	Maynilad Water Services, Inc.
	Metro Pacific Investments Corporation
	San Miguel Corporation
Independent Director	Davao Insular Hotel Company Inc.
	Energy Development Corporation
	Philippine National Bank
	Waterfront Cebu City Casino Hotel Inc.
Undersecretary	Department of Finance

Educational Background:

College	Bachelor of Science Degree in Industrial Engineering University of the Philippines – Diliman
Graduate Studies	Master in Business Administration, with concentration in Finance and Operation Management Johnson Graduate School of Management at Cornell University in Ithaca, New York, U.S.A.

Mr. Recto is not connected with any Philippine government agency or instrumentality.

ANTONIO A. CANOVA	
Non-Executive Director	
<u>Age:</u> 64 years old	
<u>Citizenship:</u> American	
<u>Date of First Appointment:</u> July 1, 2024	
<u>Tenure:</u> 1 year	
Committee Memberships:	
Chairman	Board Audit Committee <i>(since January 27, 2025)</i>
Member	Board Executive Committee <i>(since July 1, 2024)</i>
	Board Nominations and Compensation Committee <i>(since October 28, 2025)</i>
Present Positions:	
Chairman of the Board	Aboitiz Foods Holdings, Inc.
	Pilmico Animal Nutrition Corporation
	Pilmico Foods Corporation
Director	1882 Energy Ventures Incorporated
	Aboitiz Power Corporation*
	Aboitiz & Company, Inc.

* A publicly listed company

Previous Positions:

Chief Operating Officer and Chief Financial Officer	Chargepoint, Inc.
Chief Financial Officer	3 Leaf Networks
Vice President of Finance and Administration and Chief Financial Officer	Brocade Communications
Audit Partner	KPMG International Limited

Educational Background:

College	Bachelor of Science in Accounting Santa Clara University, U.S.A.

Mr. Canova is not connected with any Philippine government agency or instrumentality. He is not a director of any other publicly-listed company in the Philippines.

CESAR G. ROMERO

Independent Director

Age: 60 years old

Citizenship: Filipino

Date of First Appointment: October 1, 2022

Tenure: 3 years

Committee Memberships:

Chairman	Board Corporate Governance and Sustainability Committee (<i>previously, Board Environmental, Social and Corporate Governance Committee</i>) (<i>since October 1, 2022</i>)
	Board Nominations and Compensation Committee (<i>since October 28, 2025</i>)
Member	Board Audit Committee (<i>since October 1, 2022</i>)
	Board Cyber and Information Security Committee (<i>since April 25, 2024</i>)
	Board Related Party Transactions Committee (<i>since October 1, 2022</i>)
	Board Risk and Reputation Management Committee (<i>since October 1, 2022</i>)
	Board Finance Committee (<i>since November 25, 2025</i>)

Present Positions:

Independent Director	Aboitiz Power Corporation*
	Aboitiz Equity Ventures Inc.*
	Excellent Energy Resources Inc.
	Linseed Field Corporation
	South Premiere Power Corp.
	Robinsons Retail Holdings, Inc.*

* A publicly listed company

Previous Positions:

President and Chief Executive Officer	Pilipinas Shell Petroleum Corporation

Vice President – Global Retail Network	Shell's Global Downstream Business
Vice President of Retail Sales and Operations East	
Vice President for Supply – East based in Singapore	
Vice President for Downstream Management Consultancy based in London	
Business Assistant to the Executive Director	

Educational Background:

College	Bachelor of Science in Mechanical Engineering (<i>cum laude</i>), University of the Philippines
Graduate Studies	Master's Degree in Business Administration (with High Distinction), University of Michigan, Michigan, U.S.A.
Various Management Development Courses	Finance for Non Finance Executives, London Business School
	Shell Group Business Leadership Program, Wharton Business School

Mr. Romero is not connected with any Philippine government agency or instrumentality.

DANEL C. ABOITIZ	
President and Chief Executive Director	
Executive Director	
<u>Age:</u> 44 years old	
<u>Citizenship:</u> Filipino	
<u>Date of First Appointment:</u> December 11, 2018	
<u>Tenure:</u> 7 years	
Committee Memberships:	
Chairman	Board Executive Committee (<i>since July 1, 2024</i>)
Member	Board Corporate Governance and Sustainability Committee (<i>previously, Board Environmental, Social and Corporate Governance Committee</i>) (<i>since April 25, 2024</i>)
Non Voting Observer	Board Related Party Transactions Committee (<i>since April 25, 2024</i>)
	Board Risk and Reputation Management Committee (<i>since April 28, 2025</i>)
	Board Cyber and Information Security Committee (<i>since April 28, 2025</i>)
	Board Nominations and Compensation Committee (<i>since October 28, 2025</i>)
	Board Finance Committee (<i>since November 25, 2025</i>)
Present Positions:	
President and Chief Executive Officer	Aboitiz Power Corporation*
Chairman of the Board	AA Thermal, Inc.
	Aboitiz Renewables, Inc.
	Republic Cement Services, Inc.
	Therma Power, Inc.

Vice Chairman of the Board	Chromite Gas Holdings, Inc.
	Republic Cement & Building Materials, Inc.
Director	Aboitiz Land, Inc.
	Abovant Holdings, Inc.
	AEV Aviation, Inc.
	AEV CRH Holdings, Inc.
	Balamban Enerzone Corporation
	Cotabato Light & Power Company
	CRH Aboitiz Holdings, Inc.
	Davao Light and Power Co., Inc.
	East Asia Utilities Corporation
	Excellent Energy Resources Inc.
	Lima Enerzone Corporation
	Linseed Field Corporation
	Mactan Enerzone Corporation
	Malvar Enerzone Corporation
	Manila-Oslo Renewable Enterprise, Inc.
	Redondo Peninsula Energy, Inc.
	San Fernando Electric Light & Power Co., Inc.
	South Premiere Power Corp.
	SPI Power Incorporated
	Subic Enerzone Corporation
	Therma Cebu Energy Inc.
	Therma Dinginin Holdings, Inc.
	Therma Luzon, Inc.
	Therma Marine, Inc.
	Therma Mobile, Inc.
	Therma Power-Visayas, Inc.
	Therma South, Inc.
	Visayan Electric Company, Inc.
Member of the Board of Advisors	Aboitiz & Company, Inc.
Trustee	Aboitiz Foundation, Inc.
Private Sector Representative for Mindanao, Inter-Agency Investment Promotion Coordination Committee	Department of Trade and Industry

** A publicly listed company*

Affiliations:

Director	Philippine Electricity Market Corporation
Vice Chairman	Philippine Independent Power Producers Association
Vice Chairman, Energy Committee	Management Association of the Philippines

Previous Positions:

Chief Commercial and Stakeholder Engagement Officer	Aboitiz Power Corporation
SVP for Regulatory Affairs and External Relations	
President and Chief Operating Officer	AboitizPower Coal Business Units
President and Chief Operating Officer	AboitizPower Oil Business Units

Educational Background:

College	MA, Philosophy & Politics (with Second Honors) University of Edinburgh
Gap Year	Beijing Language and Culture University Chinese Language

Mr. Aboitiz is not a director of any other publicly-listed company in the Philippines.

ERRAMON I. ABOITIZ

Non-Executive Director

Age: 69 years old

Citizenship: Filipino

Date of First Appointment: February 13, 1998

Tenure: 1 year (since his re-appointment on April 22, 2024)

Committee Memberships:

Chairman	Board Finance Committee <i>(since November 25, 2025)</i>
Member	Board Audit Committee <i>(since April 25, 2024)</i>
	Board Executive Committee <i>(since April 25, 2024)</i>
	Board Nominations and Compensation Committee <i>(since October 28, 2025)</i>

Present Positions:

Chairman of the Board	Asian Institute of Management
	Union Bank of the Philippines *
	Endeavor Philippines
Chairman of the Board/ Chief Executive Officer and President	Aboitiz & Company, Inc.
Director	Aboitiz Equity Ventures Inc.*
	Aboitiz Power Corporation*

* A publicly listed company

Previous Positions:

Chairman of the Board	Aboitiz Power Corporation
President and Chief Executive Officer	Aboitiz Equity Ventures Inc.
	Aboitiz Power Corporation
	Aboitiz & Company, Inc.
Trustee	Philippine Disaster Recovery Foundation

Educational Background:

College	Bachelor of Science in Business Administration, Major in Accounting and Finance Gonzaga University, Spokane, Washington, U.S.A.
Graduate Studies	Honorary Doctorate Degree in Management Asian Institute of Management

Mr. Aboitiz is not connected with any Philippine government agency or instrumentality.

IZUMI KAI

Non-Executive Director

Age: 51 years old

Citizenship: Japanese

Date of First Appointment: August 15, 2023

Tenure: 2 years

Committee Memberships:

Member	Board Audit Committee <i>(since April 25, 2024)</i>
	Board Corporate Governance and Sustainability Committee <i>(previously, Board Environmental, Social and Corporate Governance Committee) (since April 25, 2024)</i>
	Board Related Party Transactions Committee <i>(since April 28, 2025)</i>
	Board Finance Committee <i>(since November 25, 2025)</i>
Observer	Board Cyber and Information Security Committee <i>(since August 15, 2023)</i>

Present Positions:

Director	Aboitiz Power Corporation [*]
	Summit Power International
Chief Executive Officer	JERA Asia Pte. Ltd.
Managing Executive Officer – Head of Platform Business Division	JERA Co., Inc.

^{*} A publicly listed company

Previous Positions:

Chief Strategy Officer	JERA Americas Holdings, Inc.
President	JERA Energy America LLC
General Manager for Global Fuel Trading Business Development	JERA Co., Inc.
Senior Manager for Marketing and Sales of LNG	Japan Petroleum Exploration Co., Ltd.

Educational Background:

College	Bachelor's Degree in Civil Engineering Ritsumeikan University, Japan
Graduate Studies	Master's Degree in Business Administration in Global Management with a major in Finance Arizona State University, U.S.A.

Mr. Kai is not connected with any Philippine government agency or instrumentality. He is not a director of any other publicly-listed company in the Philippines.

TOSHIRO KUDAMA

Non-Executive Director

Age: 67 years old

Citizenship: Japanese

Date of First Appointment: December 22, 2021

Tenure: 4 years

Committee Memberships:

Chairman	Board Risk and Reputation Management Committee (since April 28, 2025)
Member	Board Executive Committee (since December 22, 2021)

Present Positions:

Director	Aboitiz Power Corporation*
	Summit Power International
Head of Asia Pacific Operations	JERA Co., Inc.

* A publicly listed company

Previous Positions:

Managing Executive Officer	JERA Co., Inc.
Chief Power Development Officer and Senior Executive Vice President	
Director and Chief Executive Officer	JERA Asia Private Limited
Director and Chief Executive Officer	JERA Americas Inc.
Managing Director, Head of Overseas and Domestic Operations	TEPCO Fuel & Power, Incorporated

Educational Background:

College	Bachelor's Degree in Mechanical Engineering Tokyo Institute of Technology
Graduate Studies	Master's Degree in Mechanical Engineering Graduate School of Tokyo Institute of Technology

Mr. Kudama is not connected with any Philippine government agency or instrumentality. He is not a director of any other publicly-listed company in the Philippines.

HON. ESTELA M. PERLAS-BERNABE (Ret.)

Independent Director

Age: 73 years old

Citizenship: Filipino

Date of First Appointment: April 28, 2025

Tenure: 10 months

Committee Memberships:

Chairman	Board Related Party Transactions Committee (since April 28, 2025)
Member	Board Audit Committee (since April 28, 2025)
	Board Nominations and Compensation Committee (since October 28, 2025)

Present Positions:

Independent Director	Aboitiz Power Corporation*
	BDO Unibank, Inc.*
	BDO Private Bank, Inc.
	Converge Information and Communications Technology Solutions Inc.*

	Petrogen Insurance Corporation
	Philippine Judicial Academy (PHILJA) Development Center, Inc.
	San Miguel Food and Beverage, Inc.*
	SM Prime Holdings, Inc.*
Trustee	Foundation for Liberty & Prosperity
Member, Panel of Arbitrators	Singapore International Arbitration Centre

* A publicly listed company

Previous Positions:

Senior Associate Justice	Supreme Court of the Philippines
Senior Partner	Bernabe Perlas Morte & Associates

Educational Background:

College	Bachelor of Science Degree in Commerce (Banking and Finance) (<i>magna cum laude</i>) St. Paul College - Manila
Graduate Studies	Bachelor of Laws (class salutatorian) Ateneo de Manila University, Manila

Hon. Perlas-Bernabe is not connected with any Philippine government agency or instrumentality. She is a member in good standing of the Integrated Bar of the Philippines.

Compliance with Corporate Governance Practices

The Company undertakes measures to ensure full compliance with leading corporate governance practices through regular monitoring and evaluation of its Directors and officers against the Company's Amended Manual of Corporate Governance (the "CG Manual"), relevant laws, and regulatory requirements. Ongoing training, periodic policy reviews, and transparent reporting reinforce accountability and a culture of compliance, while independent guidance and benchmarking, including third-party assessments, annual self-evaluations, continuing education programs for the Company's Directors and Key Officers, which help align the Company's governance practices with global standards.

The Company has an established evaluation system to assess the level of compliance of its Board of Directors and top management with the CG Manual. In accordance with the CG Manual, applicable laws, and the rules and regulations of the Securities and Exchange Commission (SEC) and other relevant regulatory agencies, the Chief Compliance Officer leads this process. In addition, the Company, through its Chief Compliance Officer, Board Corporate Governance and Sustainability Committee, and Board Nominations and Compensation Committee, monitors, reviews, and evaluates compliance of the Company, its Directors, and corporate officers through periodic assessments and reporting mechanisms to ensure continuous adherence and improvement.

As of March 23, 2026, there have been no deviation or sanctions imposed on the Company's Directors and Key Officers due to non-compliance with the CG Manual.

Trainings and Continuing Education Programs for the Directors

AboitizPower recognizes the value of continuously improving corporate governance in the Company by, among others, equipping Directors and Key Officers with the necessary training and information relevant to their respective responsibilities. It provides relevant training to its Directors and Key Officers by sponsoring continuing professional development programs, applicable courses, conferences, and seminars to aid in the performance of their governance functions. In 2025, the Board of Directors continued to be compliant with the annual corporate governance seminar requirement under the Revised Code of Corporate Governance, as disclosed in the Company's Compliance Report for Annual Mandatory Corporate Governance Seminar

submitted to the SEC. The Board also regularly conducts performance assessments (as further discussed below) to help ensure that it and its members continue to respond to the needs of the business.

Performance Assessment and Attendance Reports of the Board

In accordance with the CG Manual, the members of the Board and Board Committees conduct an annual self-assessment of their collective and individual performance. In addition, the directors assess the performance of the Company's corporate officers such as the Chairman of the Board, the Chief Executive Officer, the Chief Risk Officer, the Compliance Officer, the Corporate Secretary, and the Group Internal Audit Head.

The assessment forms are prepared and regularly reviewed by the Compliance Officer to elicit relevant and valuable insights on the following assessment criteria: (1) compliance with applicable and best corporate governance practices and principles; (2) participation, engagement, and contribution to the Board and Board Committees; and (3) performance of their duties and responsibilities as provided in the Company's CG Manual, Charters, Amended Articles of Incorporation, and Amended By-Laws.

In addition, AboitizPower directors are evaluated by its key officers based on the following criteria: (1) business acumen, (2) independent judgment, (3) familiarity with the business, (4) active participation and effective challenge, (5) professional expertise and network, (6) value contribution, (7) embodiment of Aboitiz core values, and (8) reputation. Assessment results are presented to the Board Nominations and Compensation Committee as part of the nomination and selection process of incumbent Board members.

The Revised Code of Corporate Governance and the CG Manual provides that, at least once in every three years, the conduct of the Board performance assessment should be supported by an independent third-party facilitator. AboitizPower complied with this requirement in 2023 with the engagement of the Institute of Corporate Directors (ICD), a non-stock, not-for-profit national association of corporate directors and other stakeholders engaged in corporate governance, to support its Board performance assessment exercise. The Company intends to comply with this requirement again in 2026.

For more discussion on the Board's (i) performance assessment, and (ii) attendance record at Board, Board Committee, and stockholders' meetings for the year 2025, please refer to the Board Matters portion of Part IV – Corporate Governance on page 125 of the Company's 2025 Annual Report.

Nominations for Independent Directors and Procedure for Nomination

The procedure for the nomination and election of the Independent Directors is in accordance with Rule 38 of the Securities Regulation Code ("SRC Rule 38"), AboitizPower's Amended By-Laws, and AboitizPower's Amended Guidelines for the Nomination and Election of Independent Directors, approved by the Board of Directors on March 23, 2017 (the "Amended Guidelines").

Nominations for Independent Directors were opened beginning January 1, 2026 in accordance with Section C (1) of the Amended Guidelines. SRC Rule 38 further requires the Board Nominations and Compensation Committee to meet and pre-screen all nominees and submit a Final List of Nominees to the Corporate Secretary, so that such list will be included in the Company's Information Statements. Only nominees whose names appear on the Final List shall be eligible for election as Independent Directors. No other nominations shall be entertained after the Final List of nominees has been prepared. The name of the person or group of persons who nominates an Independent Director shall be identified in the report including any relationship with the nominee.

The Board Nominations and Compensation Committee, acting pursuant to its authority under the Company's Amended Guidelines, by unanimous vote, extended the period for nominations until March 23, 2026 for meritorious reasons.

On March 23, 2026, the Chairman of the Board Nominations and Compensation Committee submitted the Final List of Nominees to the Corporate Secretary. In pre-screening the nominations for Independent Directors, the Board Nominations and Compensation Committee considered the guidelines on the

nomination of Independent Directors prescribed in SRC Rule 38, the Amended Guidelines, and AboitizPower's Revised Manual.

In 2025, Mr. Cesar G. Romero, Independent Director, was the Chairman of the Board Nominations and Compensation Committee. The other voting members are Messrs. Antonio A. Canova, Erramon I. Aboitiz, Sabin M. Aboitiz, and Hon. Estela M. Perlas-Bernabe (Ret.), who are joined by Mr. Danel C. Aboitiz as non-voting observer and Carlos Ramon C. Aboitiz,, Manuel Alberto R. Colayco, and Ms. Monina S. Lasala as non-voting *ex-officio* members.

Independent Directors shall be elected at the stockholders' meeting during which other members of the Board are to be elected. However, no nominations for Independent Director shall be accepted at the floor during the 2026 ASM.

Mr. Cesar G. Romero, Hon. Estela M. Perlas-Bernabe (Ret.), and Ms. Tan Hwee Hua/Lim Hwee Hua are the nominees for Independent Directors of AboitizPower for the 2026 ASM. They are neither officers nor employees of AboitizPower or any of its Affiliates, and do not have any relationship with AboitizPower which would interfere with the exercise of independent judgment in carrying out the responsibilities of an Independent Director..

AboitizPower stockholders, Mesdames Katrina B. Aliman, Esmeralda C. Dano, and Golda D. Gabriel, have respectively nominated Mr. Romero, Hon. Perlas-Bernabe, and Ms. Tan/Lim as AboitizPower's Independent Directors. None of the nominating stockholders have any relation to the respective independent director they are nominating.

Other Nominees for Election as Members of the Board of Directors

As the Board Nominations and Compensation Committee conveyed to the Corporate Secretary on March 23, 2026, the following were also nominated and qualified as candidates to the AboitizPower Board of Directors for the ensuing year 2026-2027:

Sabin M. Aboitiz
Antonio A. Canova
Danel C. Aboitiz
Erramon I. Aboitiz
Izumi Kai
Toshiro Kudama

Pursuant to Section 7, Article I of the Amended By-Laws of AboitizPower, nominations for members of the Board, other than Independent Directors, for the ensuing year must be submitted in writing to the Corporate Secretary at least 15 working days prior to the ASM on April 27, 2026 or not later than April 1, 2026.

All other information regarding the positions and offices held by nominees are integrated in Item 9(a)(1) above. Ms. Tan/Lim is being nominated to the Board of Directors for the first time.

Below is the profile of Ms. TanLim including the positions and offices she held for the past five years.

TAN HWEE HUA/LIM HWEE HUA Nomination: Independent Director	
Age: 67 Citizenship: Singaporean	
Present Positions:	
Chairman of the Board	Cora Environment Pte Ltd
Chairman	International Valuation Standards Council
Co-Chairman of the Board	Tembusu Partners Pte Ltd
Independent Director	JERA Co., Inc.

	Nippon Paint Holdings Co., Inc.
Previous Positions:	
Independent Director	Jardine Cycle & Carriage Limited
	Re Sustainability Limited
	Summit Power International
Independent Chairman	Asia Pacific Exchange
Senior Advisor	KKR & Co Inc.
Minister, Prime Minister's Office	Parliament of Singapore
Second Minister for Finance and for Transport	
Educational Background:	
College	Bachelor of Arts/Master of Arts in Mathematics/ Engineering University of Cambridge
Graduate Studies	Master of Business Administration in Finance Anderson School of Management, University of California, Los Angeles
Ms. Tan/Lim is not connected with any Philippine government agency or instrumentality. She is not a director of any publicly-listed company in the Philippines.	

(2) Officers for 2025-2026

Below is the list of AboitizPower's officers for 2025-2026 with their corresponding positions and offices held for the past five years, as of February 28, 2026. Unless otherwise indicated, the officers assumed their positions during AboitizPower's organizational meeting in 2025 for a term of one year.

SABIN M. ABOITIZ Chairman – Board of Directors <i>Refer to Item 9 (a)(1) for the profile of Mr. Sabin M. Aboitiz.</i>			
ERIC RAMON O. RECTO Vice Chairman – Board of Directors <i>Refer to Item 9 (a)(1) for the profile of Mr. Eric Ramon O. Recto.</i>			
DANEL C. ABOITIZ Director/President and Chief Executive Officer <i>Refer to Item 9 (a)(1) for the profile of Mr. Danel C. Aboitiz.</i>			
JUAN ALEJANDRO A. ABOITIZ Senior Vice President – Chief Financial Officer/Corporate Information Officer <u>Age</u>: 41 years old <u>Citizenship</u>: Filipino Committee Memberships: <table border="1"> <tr> <td rowspan="2">Ex-Officio Member</td> <td>Board Executive Committee (since November 1, 2023)</td> </tr> <tr> <td>Board Finance Committee (since November 25, 2025)</td> </tr> </table>	Ex-Officio Member	Board Executive Committee (since November 1, 2023)	Board Finance Committee (since November 25, 2025)
Ex-Officio Member		Board Executive Committee (since November 1, 2023)	
	Board Finance Committee (since November 25, 2025)		

Present Positions:

Senior Vice President/ Chief Financial Officer/Corporate Information Officer	Aboitiz Power Corporation*
Chairman of the Board	Aboitiz Power Distributed Energy, Inc.
	Aboitiz Power Distributed Renewables, Inc.
	Adventpower, Inc. (Formerly: Aboitiz Energy Solutions, Inc.)
	Prism Energy, Inc.
	SN AboitizPower – RES, Inc.
	Powerhouse Innovations Inc.
Director	AA Thermal, Inc.
	Abaqa International Pte. Ltd.
	Aboitiz Foods Holdings, Inc.
	AboitizPower International Pte. Ltd.
	Aboitiz Renewables, Inc.
	Adventenergy, Inc.
	Advent Upgrade Solar, Inc. (Formerly: Aboitiz Upgrade Solar, Inc.)
	AP Renewables, Inc.
	Archipelago Insurance Pte. Ltd.
	Cebu Energy Development Corporation
	Chromite Gas Holdings, Inc.
	Cleanergy 9 Power Inc.
	East Asia Utilities Corporation
	Ilijan Primeline Industrial Estate Corp.
	Manila-Oslo Renewable Enterprise, Inc.
	Pilmico Animal Nutrition Corporation
	Pilmico Foods Corporation
	Potentia Insurance Pte. Ltd.
	SolViva Energy Incorporated
	Southern Philippines Power Corporation
	Therma Dinginin Holdings, Inc.
	Therma Luzon, Inc.
	Therma Marine, Inc.
	Therma Mariveles Holdings, Inc.
	Therma Mobile, Inc.
	Therma NatGas Power, Inc.
	Therma Power, Inc.
	Therma Power-Visayas, Inc.
	Therma South, Inc.
	Therma Visayas, Inc.
Director and Treasurer	1882 Energy Ventures Incorporated
Management Committee Representative	GNPower Dinginin Ltd. Co.
	GNPower Mariveles Energy Center Ltd. Co.

* A publicly listed company

Previous Positions:

Director	Union Bank of the Philippines
Senior Vice President for Commercial Operations	Aboitiz Power Corporation
First Vice President for Energy Trading & Sales	
Assistant Vice President for Corporate Finance	Aboitiz Equity Ventures, Inc.
Management Associate	
Department Head for Billing	Visayan Electric Company, Inc.

and Collection	
Senior Associate for Transaction Advisory Services	Sycip Gorres Velayo & Co. / Ernst & Young
Educational Background:	
College	Bachelor of Science in Accounting Loyola Marymount University, Los Angeles, California, U.S.A.
Graduate Studies	Master of Business Administration The Hong Kong University of Science and Technology
	MBA International Exchange Program IESE Business School – University of Navarra, Barcelona, Spain
Mr. Aboitiz is not connected with any Philippine government agency or instrumentality. He is not a director of any publicly-listed company in the Philippines.	

MA. RACQUEL J. BUSTAMANTE	
Senior Vice President – Deputy Chief Financial Officer/ Treasurer/ Alternate Corporate Information Officer	
<u>Age:</u> 51 years old	
<u>Citizenship:</u> Filipino	
Committee Memberships:	
Ex-Officio Member	Board Finance Committee <i>(since November 25, 2025)</i>
Present Positions:	
Senior Vice President – Deputy Chief Financial Officer / Treasurer / Alternate Corporate Information Officer	Aboitiz Power Corporation*
Chief Financial Officer / Treasurer	Adventenergy, Inc.
	Adventpower, Inc. (Formerly: Aboitiz Energy Solutions, Inc.)
	Aboitiz Power Distributed Energy, Inc.
	Aboitiz Power Distributed Renewables, Inc.
Chief Financial Officer	Prism Energy, Inc.
Treasurer	AA Thermal, Inc.
	Advent Upgrade Solar, Inc. (Formerly: Aboitiz Upgrade Solar, Inc.)
* A publicly listed company	
Previous Positions:	
Chief Financial Officer – Generation Business Group	Aboitiz Power Corporation
First Vice President – Head of Finance and Treasurer	First Coconut Manufacturing, Inc.
Vice President – Head of Finance and Treasurer	Atlantic Gulf & Pacific Company of Manila, Inc.
Vice President/ Group Financial Controller	Mediaquest Holdings, Inc.
Senior Auditor	KPMG Laya Mananghaya & Co.
Educational Background:	
College	Bachelor of Science, Major in Accountancy De La Salle University, Manila

Ms. Bustamante is a Certified Public Accountant and a Stanford LEAD Professional. She is not connected with any Philippine government agency or instrumentality. She is not a director of any publicly-listed company in the Philippines.

MANUEL ALBERTO R. COLAYCO

Senior Vice President - Chief Legal, Regulatory, and Compliance Officer

Age: 56 years old

Citizenship: Filipino

Committee Memberships:

Ex-Officio Member	Board Corporate Governance and Sustainability Committee <i>(previously, Board Environmental, Social, and Corporate Governance Committee) (since April 25, 2024)</i>
	Board Nominations and Compensation Committee <i>(since October 28, 2025)</i>

Present Positions:

Senior Vice President - Chief Legal, Regulatory, and Compliance Officer	Aboitiz Power Corporation*
Director	Aboitiz Power Distributed Energy, Inc.
	Aboitiz Power Distributed Renewables, Inc.
	Adventenergy, Inc.
	Adventpower Inc. (formerly Aboitiz Energy Solutions, Inc.)
	Prism Energy, Inc.
	Therma Power, Inc.
	Therma Mariveles Holdings, Inc.
Management Committee Representative	GNPower Mariveles Energy Center Ltd. Co.
Assistant Corporate Secretary	Chromite Gas Holdings, Inc.

* A publicly listed company

Previous Positions:

Corporate Secretary	Aboitiz Power Corporation
First Vice President and Chief Legal Officer/ Corporate Secretary	Aboitiz Equity Ventures Inc.
General Counsel	AGP International Holdings Ltd.
	Atlantic, Gulf & Pacific Company of Manila, Inc.
Executive Director and Assistant General Counsel	J.P. Morgan Chase Bank N.A.
Vice President and Legal Counsel	DKR Oasis (Hong Kong) LLC
Associate	Skadden, Arps, Slate, Meagher & Flom, LLP
	Romulo Mabanta Buenaventura Sayoc & de los Angeles

Educational Background:

College	Bachelor of Arts in Economics Ateneo de Manila University, Manila
Graduate Studies	Juris Doctor Ateneo de Manila University, Manila
	Master of Laws New York University School of Law, New York, U.S.A.

Mr. Colayco is a member in good standing of the Integrated Bar of the Philippines and of the New York State Bar. He is not connected with any Philippine government agency or instrumentality. He is not a director of any publicly-listed company in the Philippines.

RANULFO J. JAVELOSA, III
Corporate Secretary

Age: 35 years old
Citizenship: Filipino

Committee Memberships:

None	N/A

Present Positions:

Corporate Secretary / Assistant Vice President for Governance, Compliance, and Board Management	Aboitiz Power Corporation*
Corporate Secretary	Aboitiz Renewables, Inc.
	Aboitiz Solar Power, Inc.
	AP Renewable Energy Corporation
	Cornerstone Energy Development, Inc.
	Davao Light & Power Co., Inc.
	Hedcor Sibulan Inc.
	Luzon Hydro Corporation
	Manila-Oslo Renewable Enterprise, Inc.
	SN Aboitiz Power - Benguet, Inc.
	SN Aboitiz Power - Generation, Inc.
Assistant Corporate Secretary	SN Aboitiz Power - Ifugao, Inc.
	SN Aboitiz Power - Magat, Inc.
	SPI Power Incorporated
	AA Thermal, Inc.
	Chromite Gas Holdings, Inc.
	East Asia Utilities Corporation
	Pagbilao Energy Corporation
	Therma Cebu Energy, Inc.
	Therma Dinginin Holdings, Inc.
	Therma Luzon, Inc.
	Therma Marine, Inc.
	Therma Mariveles Holdings, Inc.
	Therma Mobile, Inc.
	Therma NatGas Power Inc.
	Therma Power-Visayas, Inc.
	Therma Power, Inc.
	Therma South, Inc.
	Therma Visayas, Inc.
	Visayan Electric Co., Inc.

* A publicly listed company

Previous Positions:

Assistant Vice President / Senior Associate General Counsel	Aboitiz Power Corporation
Partnership Secretary	GNPower Mariveles Energy Center Ltd. Co.
Legal Manager	Therma Luzon, Inc.
Senior Associate	Morales and Justiniano Law Offices

Educational Background:

College	Bachelor of Arts in Political Science University of the Philippines – Diliman
Graduate Studies	Juris Doctor University of the Philippines – Diliman

Mr. Javelosa was appointed as Corporate Secretary on October 28, 2025. He is a member in good standing of the Integrated Bar of the Philippines. He is not connected with any Philippine government agency or instrumentality, and is not a director of any publicly-listed company in the Philippines.

FRANCES KATRINA C. ARSUA

Assistant Corporate Secretary

Age: 33 years old

Citizenship: Filipino

Committee Memberships:

None	N/A

Present Positions:

Corporate Secretary	Adventpower Inc. (formerly Aboitiz Energy Solutions, Inc.)
	Adventenergy, Inc.
	AP Renewables, Inc.
	Prism Energy, Inc.
	SN Aboitiz Power - RES, Inc.
Assistant Corporate Secretary	Aboitiz Power Distributed Energy, Inc.
	Aboitiz Power Distributed Renewables, Inc.
Assistant Corporate Secretary / Corporate Governance and Legal Operations Manager	Aboitiz Power Corporation*

* A publicly listed company

Previous Positions:

Legal Business Administration Manager	Aboitiz Equity Ventures, Inc.
Assistant Corporate Secretary	Visayan Electric Company, Inc.

Educational Background:

College	Bachelor of Arts in Political Science University of Santo Tomas, Manila
Graduate Studies	Master's Degree in Business Administration Ateneo de Manila Graduate School of Business

Ms. Arsua is an Associate Member of the Institute of Corporate Directors. She is not connected with any Philippine government agency or instrumentality. She is not a director of any publicly-listed company in the Philippines.

MARK LOUIE L. GOMEZ

Data Protection Officer and Vice President for Risk and Organizational Performance Management

Age: 44 years old

Citizenship: Filipino

Committee Memberships:

None	N/A

Present Positions:

Data Protection Officer and Vice President for Enterprise Risk Management	Aboitiz Power Corporation*

* A publicly listed company

Previous Positions:

Assistant Vice President – Enterprise Risk Management and Data Protection Officer	Therma Luzon, Inc.
Compliance Manager	AP Renewables, Inc.

Educational Background:

College	Bachelor of Arts in Political Science University of the Philippines – Diliman
Graduate Studies	Bachelor of Laws San Beda College of Law, Manila

Mr. Gomez is a member in good standing of the Integrated Bar of the Philippines and a certified risk management professional. He is not connected with any Philippine government agency or instrumentality. He is not a director of any publicly-listed company in the Philippines.

MARK ANGELOU C. DINGLASAN
Chief Audit Executive

Age: 35 years old
Citizenship: Filipino

Committee Memberships:

None	N/A

Present Positions:

Internal Audit Head/Chief Audit Executive	Aboitiz Power Corporation*

* A publicly listed company

Previous Positions:

Audit Operations Head	Aboitiz Power Corporation
Audit Manager	
Audit Specialist	
Internal Auditor	
Internal Auditor	Security Bank Corporation

Educational Background:

College	Bachelor's Degree in Accountancy (With Honors) University of Batangas

Mr. Dinglasan is a Certified Public Accountant, a Certified Internal Auditor, and a Lead Auditor for ISO/IEC 27001:2013 (Information Security Management Systems), ISO 22301:2012 (Business Continuity Management Systems), and ISO 9001:2008 (Quality Management Systems). Additionally, he is a Certified Asset Management Assessor by the Institute

of Asset Management. He is not connected with any government agency or instrumentality. He is not a director of any publicly-listed company in the Philippines.

Period in which the Directors and Executive Officers Should Serve

The directors shall serve for a period of one year.

Term of Office of a Director

Pursuant to the Company's Amended By-Laws, the directors are elected at each ASM by stockholders entitled to vote. Each director holds office until the next annual election, or for a term of one year and until his successor is duly elected, unless he resigns, dies, or is removed prior to such election.

Any vacancy in the Board, other than by removal or expiration of term, may be filled by a majority vote of the remaining members thereof at a meeting called for that purpose, if they still constitute a quorum. Otherwise, said vacancy must be filled by the stockholders or members in a regular or special meeting called for that purpose. The director so chosen shall serve for the unexpired term of their predecessor in office.

When the vacancy arises as a result of removal by the stockholders or members, the election may be held on the same day of the meeting authorizing the removal and this fact must be so stated in the agenda and notice of said meeting. In all other cases, the election must be held no later than 45 days from the time the vacancy arose. The director so chosen to fill a vacancy shall serve for the unexpired term of his/her predecessor in office.

When the vacancy prevents the remaining directors from constituting a quorum and emergency action is required to prevent grave, substantial, and irreparable loss or damage to the corporation, the vacancy may be temporarily filled from among the officers of the corporation by unanimous vote of the remaining directors. The action by the designated director shall be limited to the emergency action necessary, and the term shall cease within a reasonable time from the termination of the emergency or upon the election of the replacement director, whichever comes earlier.

(3) Significant Employees

AboitizPower considers the contribution of every employee important to the fulfillment of its goals.

(4) Family Relationships

Mr. Danel C. Aboitiz is the nephew of Messrs. Sabin M. Aboitiz and Erramon I. Aboitiz. Messrs. Erramon I. Aboitiz and Sabin M. Aboitiz are brothers.

Other than these, no other officers or directors are related within the fourth degree of consanguinity.

(5) Involvement in Certain Legal Proceedings as of March 23, 2026

To the knowledge and/or information of AboitizPower, none of its nominees for election as directors, its present members of the Board, or its executive officers have been involved in any of the following during the past five years up to March 23, 2026:

- (a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

- (c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his/her involvement in any type of business, securities, commodities or banking activities; and
- (d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

(6) Parent Company

AboitizPower's parent company is AEV. As of March 23, 2026, AEV owns 53.09% of the voting shares of AboitizPower. In turn, ACO owns, as of March 23, 2026, 48.04% of the voting shares of AEV.

(b) Resignation or Refusal to Stand for Re-election by Members of the Board of Directors

No director has resigned or declined to stand for re-election to the Board since the date of AboitizPower's last ASM because of a disagreement with AboitizPower on matters relating to its operations, policies, and practices.

Item 10. Compensation of Directors and Executive Officers

(a) Summary of Compensation of Executive Officers

Information as to the aggregate compensation paid or accrued to AboitizPower's Chief Executive Officer and four most highly compensated executive officers, as well as other directors and officers during the last two completed fiscal years and the ensuing fiscal year, are as follows:

Name of Officer and Principal Position	Year	Salary	Bonus	Other Compensation
Chief Executive Officer and the Four Most Highly Compensated Executive Officers:				
1. DANEL C. ABOITIZ - President and Chief Executive Officer				
2. JUAN ALEJANDRO A. ABOITIZ - Senior Vice President/ Chief Financial Officer/Corporate Information Officer				
3. MANUEL ALBERTO R. COLAYCO - Senior Vice President – Chief Legal, Regulatory, and Compliance Officer				
4. MA. RACQUEL J. BUSTAMANTE - Senior Vice President – Deputy Chief Financial Officer/ Treasurer/ Alternate Corporate Information Officer				
5. MARK LOUIE M. GOMEZ - Data Protection Officer and Vice President for Risk and Operational Performance Management				
All above named officers as a group	Actual 2025	₱89,201,206	₱19,143,620	₱10,384,792
	Actual 2024	₱160,068,196	₱14,314,182	₱8,693,470
	Projected 2026	₱94,107,272	₱20,196,519	₱10,906,897
All other officers and directors as a group	Actual 2025	₱6,390,384	₱7,253,307	₱40,107,330
	Actual 2024	₱9,230,818	₱1,284,420	₱38,954,103
	Projected 2026	₱6,741,855	₱7,652,239	₱44,038,903

The 2020 Amended By-Laws of the Company, as approved by the SEC on October 1, 2020, defines corporate officers as follows: the Chairman of the Board, the Vice Chairman, the Chief Executive Officer, the Chief Operating Officer, the Treasurer, the Corporate Secretary, the Assistant Corporate Secretary, and such other officers as may be appointed by the Board of Directors. For the year 2025, the Company's Summary of Compensation of Executive Officers covers the compensation of officers as reported under Item 10(a) of the Annual Report.

Except for the regular company retirement plan, which by its very nature will be received by the officers concerned only upon retirement from the Company, the above-mentioned officers do not receive any other compensation in the form of warrants, options, and/or profit-sharing.

There is no compensatory plan or arrangement between the Company and any executive in case of resignation or any other termination of employment or from a change-in-control of the Company.

(b) Compensation of Directors

(1) Standard Arrangements

AboitizPower directors receive a monthly allowance of ₱150,000.00, while the Chairman of the Board receives a monthly allowance of ₱200,000.00. In addition, each director/member and the Chairmen of the Board and the Board Committees receive a per diem for every Board or Board Committee meeting attended as follows:

Type of Meeting	Directors	Chairman of the Board
Board Meeting	₱150,000	₱225,000

Type of Meeting	Members	Chairman of the Committee
Board Committee Meeting (except Audit Committee)	₱100,000	₱150,000
Audit Committee Meeting	₱100,000	₱200,000

In compliance with Section 29 of the Revised Corporation Code, the total compensation of each of the Company's directors as of December 31, 2025 is as follows:

Name of Director	Total Compensation Received as a Director ²²
SABIN M. ABOITIZ* <i>Chairman of the Board of Directors</i>	₱3,825,000
ERIC RAMON O. RECTO <i>Lead Independent Director/ Vice Chairman of the Board of Directors</i>	7,000,000
CESAR G. ROMERO <i>Independent Director</i>	7,000,000
ERRAMON I. ABOITIZ <i>Director</i>	4,050,000
ANTONIO A. CANOVA <i>Director</i>	4,700,000
ESTELA M. PERLAS-BERNABE** <i>Independent Director</i>	3,750,000
DANEL C. ABOITIZ* <i>Director/President and Chief Executive Director</i>	2,500,000
TOSHIRO KUDAMA <i>Director</i>	4,400,000
IZUMI KAI <i>Director</i>	4,850,000

²² Consisting of the monthly allowance and per diem. Per diem is based on the directors' attendance in the Board and Board Committee meetings, and their Committee memberships for the period January 1 to December 31, 2025.

* A portion of the director's compensation was paid to ACO.

** Hon. Perlas-Bernabe was appointed as Independent Director during the 2025 Annual Stockholders' Meeting on A

(2) Other Arrangements

Other than payment of the directors' per diem and monthly allowance as stated, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.

(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There is no compensatory plan or arrangement between AboitizPower and any executive officer in case of resignation or any other termination of employment or from a change in the management or control of AboitizPower.

(d) Warrants and Options Outstanding

To date, AboitizPower has not granted any stock option to its directors or officers.

Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners (more than 5% of the voting shares) as of March 23, 2026

Title of Class of Shares	Name and Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held and Nature of Ownership (Record and/or Beneficial)	Percentage of Ownership
Common	(1) Aboitiz Equity Ventures Inc. (AEV) ²³ Ayala Triangle Gardens 2, Paseo de Roxas cor. Makati Avenue, Makati City 1226 Metro Manila (Stockholder)	Aboitiz Equity Ventures Inc. ²⁴	Filipino	3,825,794,642 (Record and Beneficial)	53.09%
Common	(2) JERA Asia Private Limited (JERA Asia) ²⁵ 88 Market Street #42-01 Capita Spring, Singapore 048948 (Stockholder)	JERA Asia Private Limited	Japanese	1,986,823,063 (Record and Beneficial)	27.57%
Common	(3) PCD Nominee Corporation ²⁶ (Filipino)	PCD participants acting for themselves or for their customers ²⁷	Filipino	986,001,060 (Record)	13.68%

On December 16, 2021, JERA Asia acquired a 27% stake in AboitizPower, which consisted of a 25.01% stake from AEV and a 1.99% stake from the Aboitiz family privately held company, Aboitiz & Company, Inc. (ACO). JERA Asia is an affiliate of JERA Co., Inc. (JERA), a joint venture company organized under the laws of Japan and established in 2015 by two major Japanese electric companies (TEPCO Fuel & Power Incorporated and Chubu Electric Power Company Incorporated). JERA is Japan's largest power generation company and has a global footprint through its subsidiaries operating in various countries around the

²³ AEV is the parent company of AboitizPower.

²⁴ Mr. Sabin M. Aboitiz, President and Chief Executive Officer of AEV, will vote for the shares of AEV in AboitizPower in accordance with the directive of the AEV Board of Directors.

²⁵ Messrs. Ryutaro Suzuki or Masakazu Dobashi, Authorized Representatives of JERA Asia, will vote for the shares of JERA Asia in AboitizPower in accordance with the directive of JERA Asia's Board of Directors.

²⁶ PCD Nominee Corporation is not related to the Company. The beneficial owners of the shares held through a PCD participant are the beneficial owners thereof to the extent of the number of shares registered under the respective accounts with the PCD participant.

²⁷ Each beneficial owner of shares, through a PCD participant, is the beneficial owner of such number of shares he owns in his account with the PCD participant. AboitizPower has no record relating to the power to decide how the shares held by PCD are to be voted. None of the beneficial owners under a PCD participant own more than 5% of the Company's common shares, as of March 23, 2026.

world.

AEV is the public holding and management company of the Aboitiz Group, one of the largest conglomerates in the Philippines. As of March 23, 2026, the following entities own at least five per centum (5%) or more of AEV:

Title of Class of Shares	Name and Address of Stockholder and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares and Nature of Ownership (Record and/ or Beneficial)	Percentage of Ownership
Common	1. Aboitiz & Company, Inc. Aboitiz Corporate Center, Gov. Manuel A. Cuenco Avenue, Kasambagan, Cebu City (Stockholder)	Aboitiz & Company, Inc.	Filipino	2,735,600,915 (Record and Beneficial)	48.04%
Common	2. PCD Nominee Corporation (Filipino) 29 th Floor, BDO Equitable Tower, Paseo de Roxas, Makati City, Metro Manila (Stockholder)	PCD participants acting for themselves or for their customers	Filipino	1,137,099,500 (Record)	19.97%
Common	3. Ramon Aboitiz Foundation, Inc. 35 Lopez Jaena Street, Cebu City (Stockholder)	Ramon Aboitiz Foundation, Inc.	Filipino	426,804,093 (Record and Beneficial)	7.49%

(4) Security Ownership of Management as of March 23, 2026 (Record and Beneficial)

Title of Class of Shares	Name of Owner and Position	No. of Shares and Nature of Ownership (Direct and/or Indirect)		Citizenship	Percentage of Ownership
Common	Sabin M. Aboitiz Chairman of the Board	5,667,406	Direct	Filipino	0.08%
		16,835,679	Indirect		0.23%
Common	Eric Ramon O. Recto Vice Chairman of the Board/ Lead Independent Director	1,000	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Erramon I. Aboitiz Director	1	Direct	Filipino	0.00%
		86,913,114	Indirect		1.21%
Common	Danel C. Aboitiz Director/President and Chief Executive officer	8,000,000	Direct	Filipino	0.11%
		14,000,000	Indirect		0.19%
Common	Toshiro Kudama Director	100	Direct	Japanese	0.00%
		0	Indirect		0.00%
Common	Izumi Kai Director	100	Direct	Japanese	0.00%
		0	Indirect		0.00%
Common	Antonio A. Canova Director	100	Direct	American	0.00%
		0	Indirect		0.00%
Common	Cesar G. Romero Independent Director	100	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Estela M. Perlas-Bernabe Independent Director	1	Direct	Filipino	0.00%
		3,000	Indirect		0.00%
Common	Ma. Racquel J. Bustamante Senior Vice President – Deputy Chief Financial Officer/Treasurer/ Alternate Corporate Information Officer	25,000	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Juan Alejandro A. Aboitiz Senior Vice President/Chief Financial Officer/Corporate Information Officer	0	Direct	Filipino	0.00%
		2,685,408	Indirect		0.04%

Title of Class of Shares	Name of Owner and Position	No. of Shares and Nature of Ownership (Direct and/or Indirect)		Citizenship	Percentage of Ownership
Common	Manuel Alberto R. Colayco Senior Vice President - Chief Legal, Regulatory, and Compliance Officer	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Ranulfo J. Javelosa, III Corporate Secretary	0	Direct	Filipino	0.00%
		1,000	Indirect		0.00%
Common	Frances Katrina C. Arsua Assistant Corporate Secretary	0	Direct	Filipino	0.00%
		100	Indirect		0.00%
Common	Mark Louie L. Gomez Data Protection Officer and Vice President for Risk and Organizational Performance Management	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Mark Angelou C. Dinglasan Chief Audit Executive	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
	TOTAL	134,132,109			1.86%

(5) Voting Trust Holders of Five Per Centum (5%) or More of Common Equity

No person holds under a voting trust or similar agreement five percent (5%) or more of AboitizPower's common equity.

(6) Changes in Control

There are no arrangements that may result in a change in control of AboitizPower during the period covered by this report.

Item 12. Certain Relationships and Related Transactions

AboitizPower and its Subsidiaries (the "Group"), in their regular conduct of business, have entered into related party transactions consisting of professional fees, advances, various guarantees, construction contracts, and rental fees. These are made on an arm's length basis as of the time of the transactions.

AboitizPower ("Parent") has provided support services to its Business Units, such as marketing, trading, billing and other technical services, necessary for the effective and efficient management and operations among and between the Subsidiaries and Associates.

The Group has existing Service Level Agreements (SLAs) with its parent company, AEV, for management fees and corporate center services such as tax compliance and information technology. These services are obtained from AEV to enable the Group to realize cost synergies and optimize expertise at the corporate center. AEV maintains a pool of highly qualified professionals with business expertise specific to the businesses of the Group. Transaction costs are always benchmarked on third party rates to ensure competitive pricing and consistency with prevailing industry standards. SLAs are in place to ensure quality of service.

Material and significant related party transactions are reviewed and approved by the Board Related Party Transactions Committee, composed of two independent directors and one non-Executive director. The Chairman of the Board Related Party Transactions Committee is an independent director.

No other transactions, without proper disclosure, were undertaken by the Company in which any director or executive officer, any nominee for election as director, any beneficial owner (direct or indirect) or any member of his immediate family was involved or had a direct or indirect material interest. Other than what has been discussed in this Annual Report and the Company's 2025 Annual Financial Statements, there are no other related party transactions entered into by the Company with related parties, including transactions with directors or self-dealings by the Company's directors.

AboitizPower employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are brought to the attention of the management.

In 2021, AboitizPower updated the Related Parties Certification for Directors and Officers in compliance with the Bureau of Internal Revenue (BIR) Regulation No. 19-2020 on the reporting guidelines for the transactions of individuals and juridical entities with related parties. The RPT Committee continued to ensure that related party transactions are taken on an arm's-length basis, within market rates, and with sufficient documentation. Lastly, the RPT Committee ensured that RPTs falling below the SEC-defined materiality threshold, if any, are coursed through the appropriate levels of review, reporting, and/or approval process.

For detailed discussion on related party transactions, please refer to the Consolidated Financial Statements.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Company continues to make strides in fulfilling its mission in providing reliable, reasonable, and responsible energy solutions in its efforts to address the global challenge of power consumption and its adverse environmental impacts, true to its unwavering commitment to *transform energy for a better world*. Guiding this transformative journey is the board of directors of AboitizPower, whose members are united in their firm belief that a robust corporate governance framework serves as the cornerstone for achieving the Group's strategic objectives and ambitious growth aspirations.

Notable accomplishments of the AboitizPower Board for 2025 are as follows:

- Received a Golden Arrow Award from the Institute of Corporate Directors for the fourth consecutive year, and maintained the Company's 4-arrow recognition (first earned in 2024) for its performance in the ASEAN Corporate Governance Scorecard;
- Established the Board Finance Committee and the Board Nominations and Compensation Committee, and approved their respective charter documents, enhancing the Board's governance roles in these technical and specialized areas of business;
- Conducted an annual review of AboitizPower's internal controls system and enterprise risk management framework;
- Authorized and held AboitizPower's Virtual Annual Stockholders' Meeting for the sixth consecutive year;
- Conducted an annual review of the Company's various Board Committee Charters;
- Reviewed and approved the amendments to the Board Charter, CG Manual, and Board Protocols to align internal processes with best practices; and
- In addition to the Annual Corporate Governance Seminar, conducted regular virtual learning sessions to strengthen the continuous learning program for the Company's directors and officers.

Shareholders Rights and Equitable Treatment

Safeguarding the rights of its stockholders stands as a cornerstone principle for the Company's governance practices. The primary objective is to guarantee the unfettered exercise of stockholder rights, fostering an environment where every shareholder, irrespective of the quantity of shares they own, can actively and freely participate in corporate decision-making processes. This dedication underscores not only a commitment to regulatory compliance but also a proactive approach in cultivating transparency, equity, and shareholder inclusivity within the Company's governance principles.

Among the rights of the Company's shareholders are: (i) to receive notices of and to attend shareholders' meetings; (ii) call for a special board meeting and propose a meeting agenda; (iii) to participate and vote on the basis of the one-share, one-vote policy; (iv) to vote in person, *in absentia*, or through proxy; (v) to ratify corporate actions; (vi) nominate, elect, remove, and replace Board members (including via cumulative voting); (vii) to inspect corporate books and records; (viii) to receive dividends; and (ix) to be timely and regularly informed of the state of the Company's businesses.

Right to Actively Participate at Shareholders' Meetings

The Company strives to maintain a transparent, easily accessible, and fair conduct of its shareholders' meetings. The goal is to ensure that the shareholders are given accurate and timely information to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

The highlights and summary of the financial, non-financial, and operating performance of the Company and its Subsidiaries are contained in the Definitive Information Statement and the Annual Report, which are distributed prior to the ASM and made available in the Company's website. Shareholders are likewise provided with individual profiles of new and returning directors, as well as a summary of the Board and Board Committee's attendance record, compensation, and notable accomplishments for the year.

To enhance accessibility, the notice for the Company's ASM is published in two widely circulated newspapers no less than 21 days before the meeting, and in the Company's website with a quick response (QR) code directing them to the Company's Definitive Information Statement.

The commitment to shareholder engagement is evident in the conduct of stockholder meetings, with notices provided not less than 28 days from the date of the meeting, containing all agenda items for discussion. The rationale of agenda items which are submitted to the shareholders for their approval are included in the notices to shareholders' meetings.

AboitizPower is committed to provide an accessible and convenient venue for its shareholders to exercise their basic and inviolable right to attend and participate at any shareholder meeting, including the opportunity to elect their representatives to the Boards of Directors and ratify corporate actions. In 2025, AboitizPower conducted a fully digital stockholders' meeting for the sixth consecutive year.. Shareholders were given the opportunity to cast their votes through non-traditional means such as remote communication or *in absentia*. Shareholders may access AboitizPower's online voting portal in order to register and vote on the matters submitted for shareholders' approval at any stockholder meetings.

All shareholders are encouraged to actively participate during meetings. They are allowed to raise their concerns, ask questions, and comment on the state of the Company's business during meetings through the ASM online portal or live if time permits. There are no barriers or impediments preventing shareholders from consulting or communicating with one another, with the Directors, and with the Corporate Secretary.

The questions, answers, issues and motions raised, the agreements and resolutions arrived at, the corporate acts approved or disapproved, and the voting results are reported in the minutes and are made publicly available by the next working day through the Company's website under the Investors' page. The Company also discloses to PSE, PDEX, and the SEC all the items approved at the shareholders' meeting no later than the next business day.

The Company continues to exert efforts to extend the communication channels between the Company and the institutional and individual stockholders through its Investor Relations Office and Shareholder Relations Office, respectively.

Right to Receive Dividends

The right to receive dividends is a basic shareholder right. The Company promotes this basic shareholder right by adopting a clear and transparent dividend policy.

Every year, the Company pays dividends in an equitable and timely manner. All shareholders are treated equally, receiving an amount of dividends per share that is proportionate to their shareholdings. The period for payment of dividends is based on trading requirements or constraints of the SEC and PSE. In 2025, AboitizPower paid the cash dividends within 22 days from the declaration date.

In the last three (3) years, the Company has paid the following dividends:

		Declaration Date	Record Date	Payment Date	Dividends per Share	Total Dividends Declared
AboitizPower	2026	March 5, 2026	March 19, 2026	March 27, 2026	₱1.35 (regular)	₱9.73bn
					₱0.93 (special)	₱6.70bn
	2025	March 6, 2025	March 21, 2025	March 28, 2025	₱2.35 (regular)	₱16.93 bn
	2024	March 5, 2024	March 19, 2024	March 26, 2024	₱2.30 (regular)	₱16.57 bn

Lastly, AboitizPower's Board Secretariat has adopted certified Board protocols and procedures under the ISO 9001:2015 Management Board and System to ensure the effectiveness of Board and shareholders' commitments.

This includes coordination with stock transfer agents to ensure appropriate responses to and timely resolution of shareholders' queries and requests.

For a more detailed discussion on the rights of the shareholders of the Company, please refer to the 2025 Consolidated Annual and Sustainability Report, the 2025 Integrated Annual Corporate Governance Report (IACGR), and the Governance page of the AboitizPower website, which will be available at www.aboitizpower.com on or before May 30, 2026.

BOARD MATTERS

Board of Directors

The Board leads the Group's corporate governance framework. Independent from management, its members are committed to serve and promote long-term success, and to secure the Group's sustained growth, competitiveness and sustainability. The Directors perform the crucial role of articulating and assessing the Group's purpose, vision and mission, and strategies to carry out its objectives. They ensure that the strategic business direction of the Group's businesses is soundly established and are in line with the overall Group's goals and strategy. In line with best practices, the members of the Board are responsible for establishing and monitoring the Group's commitment to the principles embodied in ESG. In performing these functions, the members of the AboitizPower Board, individually and collectively, are expected to act consistently with the Aboitiz core values.

The AboitizPower Board is composed of nine members, all of whom come from diverse professional backgrounds. They are composed of legal and finance professionals, engineers, former or current Chief Executive Officers/Chief Operating Officers, auditors, and accountants. Many of them have management experience in the private sector and in government, as well as in multilateral agencies.

In 2025, the AboitizPower Board had three Independent Directors, five Non-Executive Directors, and one Executive Director. The Chairman of the AboitizPower Board, Mr. Sabin M. Aboitiz, is a highly experienced Non-Executive Director. As a Non-Executive Director, he is not involved in the Company's day-to-day operations, which enables him to focus on ensuring that the AboitizPower Board properly discharges its duties and responsibilities.

The AboitizPower Board counts among its members Mr. Eric Ramon O. Recto, Mr. Cesar G. Romero, and Hon. Estela Perlas-Bernabe (ret.) as Independent Directors, with Mr. Recto serving as the Company's Lead Independent Director and Vice Chairman of the Board. Mr. Romero serves as the Chairman of both the Board CGS Committee and the newly-created Board Nominations and Compensation Committee, to ensure an independent and transparent nomination, selection, election, and performance assessment process of the Board. Meanwhile, Hon. Perlas-Bernabe chairs the Board Related Party Transactions Committee, helping promote greater objectivity in decisions relating to transactions of the Company with related parties.

As of December 31, 2025, the members of the AboitizPower Board are the following:

ABOITIZ POWER CORPORATION'S BOARD OF DIRECTORS					
Director (Age, Nationality)	Designation/ Directorship	Year First Elected	Number of Years Served as Director	Board and Committee Memberships and % of Attendance for 2025	Directorships in Other Listed Philippine Companies Outside the Aboitiz Group
SABIN M. ABOITIZ 61 years old Filipino	Chairman of the Board (NED)	April 26, 2021	4 years	(C) BOD (100%) (C) Risk (100%) (M) CGS (100%) (M) ExCom (n/a)* (M) Cyber (67%) (M) NomsCom (100%)**	None

ABOITIZ POWER CORPORATION'S BOARD OF DIRECTORS					
Director (Age, Nationality)	Designation/ Directorship	Year First Elected	Number of Years Served as Director	Board and Committee Memberships and % of Attendance for 2025	Directorships in Other Listed Philippine Companies Outside the Aboitiz Group
ANTONIO A. CANOVA 64 years old American	Director (NED)	July 1, 2024	1 year	(M) BOD (100%) (C) Audit (100%) (M) ExCom (n/a)* (M) NomsCom (0%)**	None
CESAR G. ROMERO 60 years old Filipino	Independent Director	October 1, 2022	3 years	(ID) BOD (100%) (C) CGS (100%) (M) Audit (100%) (M) Risk (100%) (M) RPT (100%) (M) Cyber (100%) (C) NomsCom (100%)** (M) FinCom (n/a)***	Robinsons Retail Holdings, Inc.
DANEL C. ABOITIZ 44 years old Filipino	President and Chief Executive Officer (ED)	December 11, 2018	7 years	(M) BOD (100%) (C) ExCom (n/a)* (M) CGS (100%) (O) Risk (100%) (O) Cyber (67%) (O) RPT (100%) (O) FinCom (n/a)***	None
ESTELA M. PERLARS-BERNABE 73 years old Filipino	Independent Director	April 28, 2025	10 months	(ID) BOD (100%) (C) RPT (100%) (M) Audit (100%) (M) NomsCom (100%)**	1. BDO Unibank, Inc. 2. Converge Information and Communications Technology Solutions Inc. 3. San Miguel Food and Beverage, Inc. 4. SM Prime Holdings, Inc.
ERIC RAMON O. RECTO 62 years old Filipino	Vice-Chairman (NED) and Lead Independent Director	May 21, 2018	7 years	(VC) BOD (100%) (M) CGS (100%) (M) Audit (100%) (M) Risk (100%) (M) RPT (100%) (C) Cyber (100%)	1. Philippine Bank of Communications (C) 2. Atok-Big Wedge Co., Inc. (C) 3. DITO CME Holdings Corp. 4. PH Resorts Group Holdings, Inc. 5. Manila Water Company, Inc. 6. PXP Energy Corporation

ABOITIZ POWER CORPORATION'S BOARD OF DIRECTORS					
Director (Age, Nationality)	Designation/ Directorship	Year First Elected	Number of Years Served as Director	Board and Committee Memberships and % of Attendance for 2025	Directorships in Other Listed Philippine Companies Outside the Aboitiz Group
ERRAMON I. ABOITIZ 69 years old Filipino	Non-Executive Director	August 22, 2024	10 months ²⁸	(M) BOD (93%) (M) Audit (100%) (M) ExCom (n.a.)* (M) NomsCom (100%)** (C) FinCom (n/a)***	None
IZUMI KAI 51 years old Japanese	Non-Executive Director	August 15, 2023	2 years	(M) BOD (100%) (M) CGS (100%) (M) Audit (100%) (O) Cyber (67%) (M) RPT (100%) (M) FinCom (n/a)***	None
TOSHIRO KUDAMA 67 years old Japanese	Non-Executive Director	December 22, 2021	2 years	(M) BOD (100%) (M) Risk (100%) (M) ExCom (n/a)* (M) RPT (100%)	None

Legend: C- Chairman; VC – Vice Chairman; M – Member; O – Observer; ID - Independent Director; NED - Non-Executive Director; ED - Executive Director; BOD - Board of Directors; CGS - Board Corporate Governance and Sustainability Committee (previously Board Environmental, Social, and Corporate Governance Committee); ExCom - Board Executive Committee; Audit - Board Audit Committee; Risk - Board Risk and Reputation Management Committee; RPT - Board Related Party Transactions Committee; Cyber - Board Cybersecurity and Information Security Committee; NomsCom - Board Nominations and Compensation Committee; FinCom - Board Finance Committee.

* Due to the monthly Board meetings during 2025, no meetings of the Executive Committee were held in said year.

** The Board Nominations and Compensation Committee only had one meeting in 2025, following its creation in October 2025.

*** The Board Finance Committee had no meeting in 2025, with its maiden meeting being held only in 2026, following its creation in November 2025.

Board Performance

In 2025, the members of the AboitizPower Board conducted the following performance review and assessment:

Type of Assessment	Respondents and Scope	Criteria
Director Assessment Completed: December 2025	Respondents: Members of the Board Scope: Individual and the collective performance of the members of the Board and Board Committees.	(1) Compliance with best governance practices and principles; (2) Participation and contribution to the Board and Board Committee meetings; and (3) Performance of their duties and responsibilities as provided in the Company's CG Manual, Charters, Amended Articles of Incorporation, and Amended By-Laws.
Key Officers Evaluation Completed: December 2025	Respondents: Members of the Board Scope: Chairman, Chief Executive Officer, Internal Audit Head, Chief Risk Officer, Corporate Secretary, and Chief Compliance Officer	
Board and Committee Charter Assessment Completed: November 2025	Respondents: Board and Committee Members	(1) membership and composition; (2) duties and responsibilities; (3) conduct of meetings; and (4) support and resources

The Revised Code of Corporate Governance also provides that, at least once in every three years, the conduct of the Board performance assessment should be supported by an independent third-party facilitator. AboitizPower complied with this requirement in 2023 with the engagement of ICD, a non-stock, not-for-profit national association

²⁸ Since his re-appointment on April 22, 2024.

of corporate directors and other stakeholders engaged in corporate governance, to support its Board performance assessment exercise. The Company intends to comply with this requirement again in 2026.

Board Committees

The different Board committees - Audit, Corporate Governance and Sustainability, Risk and Reputation Management, Related Party Transactions, Executive, Cyber and Information Security, Finance, and Nominations and Compensation Committees - report regularly to the Board and are crucial in maintaining Board oversight in key management areas.

The mandate of each Board committee, including key accomplishments in 2025, are described below:

- a. The **Board Corporate Governance and Sustainability Committee** (previously, the *Board Environmental, Social, and Corporate Governance Committee*) is responsible for ensuring the establishment of a governance mechanism that promotes sustainability practices through proper environmental stewardship, social development, and sound corporate governance. The CGS Committee also performs the functions of the Nomination and Remuneration Committee prior to the creation of the Board Nomination and Compensation Committee. In carrying out their duties and responsibilities, the members of the CGS Committee are supported by the company's Chief Compliance Officer and Chief Corporate Services Officer. These officers regularly attend committee meetings to act as resource persons. The CGS Committee is chaired by one of the Company's Independent Directors.

Key Areas of Focus in 2025	
Environmental and Social	- Monitored the progress of the ongoing CGS Activities. - Reviewed the various drivers for AboitizPower's energy transition risk.
Compliance	- Reviewed and monitored the AboitizPower's compliance with new laws and regulations. - Ensured that the nomination, selection, remuneration, and assessment of each company's directors and officers are aligned with the Manuals.
Corporate Governance	- Reviewed and endorsed for Board approval the proposed amendments to the CGS Committee's Charter to carve out certain functions previously under the purview of the Committee and transfer them to the newly formed Nominations and Compensation Committee. These include responsibilities related to board and senior management nominations, performance evaluations, and remuneration policies. - Reviewed and monitored the status of whistleblowing reports.
Nomination and Compensation	- Approved the final list of nominees for directors for election after reviewing all the qualifications and none of the disqualifications as provided in the By-Laws, Revised Manuals, and other relevant SEC rules. - Reviewed the qualifications of all persons nominated to appointed positions by the Board. - Reviewed the Group's merit increase guidelines.

- b. The **Board Audit Committee** represents the Board in discharging its responsibility related to audit matters for the Group. In 2025, the Audit Committee was composed of three Independent and two Non-Executive Directors, including its Chairman. At the end of every Audit Committee meeting, Committee Members meet without the presence of any executives.

Key Areas of Focus in 2025	
Governance	- Updated the Board Audit Committee Charter to reflect changes in the composition of the Committee and the change in Internal Audit leadership. - Approved revisions to the Internal Audit Charter to align with the new mandatory Global Internal Audit Standards issued by The Institute of Internal Auditors.
Financial Reports	- Reviewed, discussed, and approved for public disclosure the quarterly unaudited consolidated financial statements for 2025. - Endorsed to the full Board for approval the 2025 audited consolidated financial statements of AboitizPower, including its Subsidiaries and Affiliates.
External Auditors	- Assessed the performance and independence of SyCip Gorres Velayo & Co. (SGV) as the Company's external auditor.

Key Areas of Focus in 2025	
	- Endorsed to the Board the appointment of SGV as External Auditor for 2025. - Reviewed and approved the external audit scope, audit plan, fees, and terms of engagement, covering both audit and non-audit services.
Internal Auditors	- Reviewed and approved the 2025 Annual Internal Audit Plan, including ensuring adequate resources, staff qualifications, and the independence of the Internal Audit function. - Monitored alignment of the Audit Masterplan with the Group's top enterprise risks and strategic "Move the Needle" initiatives, ensuring focused coverage over core revenue-generating processes and project development and execution activities across business segments. - Oversaw enhancements in Internal Audit value reporting, including the use of Key Value Indicators (KVIs) and post-audit impact analyses to assess risk mitigation, process improvements, lessons learned, management actions, and financial recovery potential. - Reviewed sample expenditure transactions to reinforce process integrity and promote continuous improvement. - Assessed the performance of the Internal Audit Head and the Internal Audit function, including evaluating the adequacy of audit coverage, identifying areas for improvement, and ensuring that the team focuses on key governance, risk management, and internal control priorities. - Reviewed and confirmed the effectiveness of the Internal Audit function, ensuring that audits are conducted objectively, independently, and in accordance with professional standards, and expressed overall satisfaction with the team's delivery of independent assurance to the Board.

- c. The **Board Risk and Reputation Management Committee** represents the Board in discharging its responsibility relating to the risk and reputation management related matters for the Group. In 2025, the Board Risk and Reputation Committee updated its charter to continually identify, monitor, and manage the Group's top risks.

Key Areas of Focus in 2025	
Governance	- Continued alignment of the top-down approach through the key portfolio risks to strategic risk identification, where risks are identified at the 1AP Management Committee level, and the bottom-up approach of risks identified from the AboitizPower business and corporate service units. - Operationalized setting the risk appetite and risk tolerance (key risk indicators) for key portfolio risks through consultation with the Management Committee and Board Committee members. - Reviewed and endorsed for Board approval the proposed amendments to the Board Risk and Reputation Committee Charter to reflect necessary changes to the committee's composition and to align with the amended Board Protocol.
Risk Planning	- Regularized the "Risk in Focus" segment in the agenda to discuss strategically relevant key portfolio risks with inputs from the subject matter and industry experts. - Regularized Learning Sessions segment in the agenda to reinforce board learning of key and foundational risk management concepts and practices. - Invited a resource speaker to provide the Committee information on the latest currency risks from global key markets, and its possible effects and risks to AboitizPower from an outside perspective. - Reviewed and discussed AboitizPower Group's Mid-Year and Year-End Top Risks report where project risks and country concentration risks, respectively, took the top spot.
Risk Finance	- Shared best practices and key strategic initiatives with the other SBUs of the Aboitiz Group which were instrumental to the achievement of the annual insurance cost of AboitizPower. - Incorporated AboitizPower's own insurance captive to retain underwriting profit and drive risk management across the entire Group.
Reputation	- Discussed results of AboitizPower's Reputation ID Score and PR Value for the year 2024 including the key activities that led to the changes of both figures.

- d. The **Board Related Party Transactions Committee** represents the Board in discharging its responsibility to ensure that related party transactions are taken on an arms' length basis and within market rates, with sufficient documentation, and coursed through all appropriate and necessary levels of approval.

Key Areas of Focus in 2025	
RPT Policy and Committee Charter	- Conducted the annual review of AboitizPower's RPT Policies to further strengthen the process of reviewing, reporting, and (if necessary) approving RPTs, particularly those falling below the SEC-defined materiality threshold.
Completion of RPT Certification	- Monitored the compliance of AboitizPower with the reportorial requirements of the BIR.
Fairness of RPTs	- Continued to ensure that RPTs are entered into on an arm's-length basis and within market rates, with sufficient documentation, and coursed through the appropriate levels of approval.

- e. The **Executive Committee** was created to assist the Board in overseeing day-to-day operations of the Company. The Committee ensures agility in the management of the Company and in strategic decision-making, as well as compliance with the Company's governance policies, during the intervening period between Board meetings. Because the Company's Board meets on a monthly basis, no meetings of the Executive Committee were held during 2025.
- f. The **Board Information Security and Cybersecurity Committee** assists the Board in providing strategic direction and ensuring the establishment of a system of governance (processes, policies, controls, and management) for the Company and its strategic business units on matters relating to information security and cybersecurity. In 2025, the Committee was composed of two non-executive directors and one independent director, who also served as its chairman.

Key Areas of Focus in 2025	
Organizational	- Introduced a role of a Business Information Security Officer (BISO) for better alignment on cyber across organizational business units.
Cybersecurity Strategy	- Intensified security awareness activities through the use of digital platforms and systems. - Established channels to better communicate and collaborate on cybersecurity-related matters. - Engaged in an innovative and proactive way of discovering and resolving weaknesses/vulnerabilities in the digital environment. - Conducted comprehensive OT-specific tabletop exercises aimed at increasing AboitizPower Business Units' preparedness to manage or handle OT cybersecurity incidents. - Engaged a consolidated IT & OT Managed Detection & Response (MDR) service including incident Response Retainership. - Expanded to identify and address Cyber-Physical risks in our offices. - Modernized the security stack by implementing Zero Trust Network Access (ZTNA), Passwordless login and a CyberSecurity AI Bot. - Developed an insider threat program for the organization.
Cybersecurity Risks	- Implemented a Cyber Risk Quantification (CRQ) program to measure our top cyber risks across business units in financial terms. This enhanced the Board Cyber Committee's oversight by providing a consistent, data-driven view of potential financial exposure and supporting risk-informed investment decisions.

- g. The **Board Nominations and Compensation Committee** was created on October 28, 2025. Its goal is to lead the process of identifying nominees for appointment to the Board and identifying and endorsing candidates for specific senior management positions across the Group. It is also responsible for adopting a nomination process and procedure for membership and senior leadership roles in the Company and its subsidiaries, setting up a review process for compensation policies, evaluating and assessing the performance of the Board and its members as well as corporate officers and executives, and identifying potential conflicts of interest for Board members. Having only been created in the latter part of the year, the committee only met once in 2025.
- h. The **Board Finance Committee** was created on November 25, 2025. Its goal is to assist the Board in overseeing the Company's capital structure, financing strategy, liquidity position, and financial risk

exposures, ensuring that decisions are aligned with shareholder value creation, prudent risk management, and regulatory requirements. No committee meeting was held in 2025, with its first meeting taking place on January 23, 2026.

For a more detailed discussion on the AboitizPower Board and Board Committees matters, please refer to the 2025 Consolidated Annual and Sustainability Report, the 2025 IACGR, and the Governance page of the AboitizPower website, which will be available at www.aboitzpower.com on May 30, 2026.

GOVERNANCE PRACTICES

Compliance with Governance Policies

AboitizPower has a CG Manual and a Code of Ethics and Business Conduct (“Code of Ethics”) to guide the attainment of its corporate goals and the implementation of its strategies. The CG Manual is generally aligned to the principles and recommendations laid down by the SEC under the Corporate Governance Code for Publicly-Listed Companies to further strengthen the Company’s corporate governance practices. The Board regularly reviews the CG Manual to ensure that the same remains relevant and responsive to the needs of the organization. Any amendments to the CG Manual are promptly submitted to the SEC for confirmation and approval.

The CG Manual is supported by various company policies that are regularly reviewed and issued by the Board including the Code of Ethics. AboitizPower ensures that its Code of Ethics is cascaded to new team members as part of their onboarding processes. Team members are also required to review the Code of Ethics and to sign an affirmation that they have read and understood the same. In order to support this annual exercise, an e-learning module on the Group’s Code of Ethics was developed and is rolled out every year. As part of the Group’s commitments in the Code of Ethics, all team members are expected to act professionally, fairly, and with integrity in all of their business dealings, and to comply with all applicable laws and regulations, including those against bribery and corruption.

The Chief Compliance Officer, together with the Human Resources Department, regularly monitors and evaluates compliance by the Board, management, and employees with the CG Manual, the Code of Ethics, other company policies, and existing laws and regulations. The Chief Compliance Officer also ensures the implementation of AboitizPower’s policy against conflicts of interests and the misuse of confidential and proprietary information throughout the organization.

The Chief Compliance Officer regularly reports the Company’s compliance status with existing laws and regulations, as well as the Board’s, management’s and employees’ compliance with internal governance policies to the Board CGS Committee.

In addition, the Company has a Whistleblowing Policy to support the implementation of the CG Manual and the Code of Ethics. Through this policy, allegations of violations of the CG Manual, the Code of Ethics, or of other illegal conduct can be reported through an independent whistleblowing portal. The Company has also established a whistleblowing platform that is operated and monitored by a third-party service provider

As of the date of this report, amendments to the CG Manual were initially approved by the CGS Committee and the Board of Directors in late 2025, and will be duly filed with the SEC once all prerequisite approvals have been received. There were no corruption-related incidents reported in 2025.

For a full discussion on the Company’s corporate governance initiatives, please refer to the 2025 Consolidated Annual and Sustainability Report, the 2025 IACGR, and the Governance page of the AboitizPower website which will be available at www.aboitzpower.com on or before May 30, 2026.

Disclosure and Transparency

Pursuant to its commitment to transparency and accountability, AboitizPower's website, www.aboitizpower.com has its own dedicated corporate governance webpage which serves as a resource center and library for its stakeholders. AboitizPower also publishes a consolidated Annual and Sustainability Report and IACGR on its website at www.aboitizpower.com.

SUSTAINABILITY AND ENVIRONMENT, SOCIAL, AND GOVERNANCE (ESG) PRACTICES

The Aboitiz Group's adherence to sustainable business practices and social responsibility has been key to its success over the past 100 years. Today, AboitizPower's ESG thrust addresses balancing business growth with sustainability initiatives. It does so by accounting for the impact of its activities on people, the planet, and prosperity, and with a view of its long-term implications. To replicate this success for future generations, AboitizPower intends to strengthen its ESG standards and practices by reinforcing its purpose of "Transforming Energy for a Better World" and leveraging emerging technologies and innovations.

Indices and Ratings

AboitizPower's efforts "to drive change for a better world by advancing business and communities" continue to be recognized by various independent ESG assessors. S&P Global accorded the Company a score of 50/100 in its 2025 Corporate Sustainability Assessment (CSA), the same score it received from the previous year. The Company is positioned at the 68th percentile among its global peers in the Electric Utilities industry, demonstrating strong performance across Water, Risk Management, Cybersecurity, Privacy, and Labor Practices.

Following the FTSE4Good Index Series Review in December 2025, AboitizPower is once again a constituent of the FTSE4Good Index Series, after being delisted in September 2023 due to market capitalization requirements. The Company received an improved ESG score of 3.5 in 2025, 0.1 point higher than the previous year. The increase in score was due to improvement in water management.

For the fourth consecutive year, the Company was awarded a Golden Arrow Award in 2025 by ICD, recognizing its compliance with corporate governance standards and its favorable standing in international best practices. The Company maintained its 4 arrow recognition, garnering a score of 105.52 out of 130 in the 2025 ASEAN Corporate Governance Scorecard (ACGS) assessment for publicly listed companies.

Focus Areas

AboitizPower's Sustainability focus on "people, planet, and prosperity" is inspired by its core values of integrity, teamwork, innovation, responsibility, and service excellence. It promotes inclusive growth by integrating its stakeholders - communities, customers, team members, and shareholders – into its sustainable enterprise of creating long-term equitable value. Balanced with a vital social component and healthy environmental practices, prosperity is critical to building a sustainable business for future generations.

To support DOE's goal of achieving a 35% share of renewables in the country's energy mix by 2030, and 50% by 2050, AboitizPower aims to grow its generation portfolio with renewables and select baseload builds, as well as energy storage systems. The Company seeks to increase its renewables group's portfolio of indigenous energy sources - solar, hydro, geothermal, and wind - significantly by 2030. With its diversified fleet of renewable energy assets, AboitizPower will help address the country's energy trilemma of energy security, energy equity, and energy sustainability. AboitizPower strives to provide a reliable and ample power supply at reasonable and competitive prices while considering social development and environmental stewardship.

The Company has made progress in the following focus areas: team member engagement and development; CSR; disaster resilience; carbon emissions reduction; resource efficiency; renewable energy; waste management; financial growth; and financial returns. Other focus areas on its ESG reports include Occupational Health and Safety (OHS), diversity and inclusion, corporate governance, risk management, and ISO certification.

AboitizPower conducts a report in compliance with the sustainability reporting initiatives of its parent company, AEV. Currently, AboitizPower is compliant with AEV's sustainability reporting initiatives. Its report has been prepared in accordance with the GRI Standards: Core Option, and its key performance indicators are aligned with the United Nations Sustainable Development Goals (UN SDGs).

United Nations Sustainable Development Goals

The Aboitiz Group acknowledges the interconnectedness of the 17 UN SDGs, recognizing it as a shared blueprint for peace and prosperity for people and the planet. The UN SDGs guide the organization's efforts toward poverty reduction, education, climate action, responsible consumption, disaster preparedness, technological innovation, and institutional partnerships. In 2020, the Aboitiz Group became a member of the United Nations Global Compact (UNGC), and is currently a member of the Board of Trustees of UNGC's Global Compact Network Philippines (GCNP).

AboitizPower has made significant contributions to UN SDG 7 on Affordable and Clean Energy, through its renewable energy offering and aggressive expansion, as well as selective investments in baseload capacity and energy storage systems. In 2025, the Company, along with its Subsidiaries and partners, has a total net sellable capacity of 1,664 MW of renewable energy, an increase of 12% as compared to the previous year. AboitizPower intends to continue providing a balanced mix of accessible, affordable, and environmentally sustainable energy that accommodates the country's growth aspirations.

AboitizPower is submitting its Sustainability Report through the consolidated report through the consolidated report published annually by its parent company, AEV. AEV began publishing its Sustainability Report in 2009

Sustainable Investments

Supporting the Philippine government's ambition for the nation's energy mix, AboitizPower has indicated its goal of expanding its RE capacity through projects in solar, wind, geothermal, hydro, and battery energy storage systems in the coming years.

In April 2025, the Company's Subsidiary, TMI, broke ground for its 48-MW Nasipit hybrid BESS project, which will be integrated into its oil-fired power facility, TMI Mobile 2, in Lawis Sta. Ana, Nasipit, Agusan del Norte. In July 2025, the Company's Subsidiary, EAUC, broke ground for its 30-MW hybrid BESS project in the Mactan Economic Zone, marking a strategic move to support grid stability in the fast-growing Visayas region. The first large-scale energy storage system in Central Visayas is expected to improve power supply reliability amidst rising demand from industries, businesses, and new locators within the economic zone.

In the Company's distributed energy business, AUSI, the joint venture between APX-2 and UGEP, made strides in 2025 with its various partnerships, with the development of ground-mounted solarPV systems in Norzagaray, Bulacan and Polilio, Quezon, and installation of rooftop solar PV systems in commercial and industrial facilities in Cebu and Laguna.

In October 2025, the Company also ventured into sustainable mobility through Voltai, a start-up under 1882 Energy Ventures, an AboitizPower Subsidiary. Voltai is focused on helping shape the decarbonization and decentralization of the energy system in the Philippines through the first large-scale electric two-wheel battery swap ecosystem tailored for businesses operating vehicle fleets. In the same month, the Company announced its plan to acquire a 25% equity stake in Van Phong Power Company Limited (VPCL) from Sumitomo Corporation. VPCL owns an operational 1,320 MW HELE coal-fired power plant in Khánh Hòa Province, Vietnam. This marks a pivotal moment in AboitizPower's history as it represents the Company's first significant investment outside the Philippines.

In November 2025, ARI energized its 92.55-MWp San Manuel solar power plant in Pangasinan, further expanding its solar portfolio. The San Manuel plant is the third solar facility operated by ARI in the province, adding to the existing Cayanga-Bugallon and Laoag solar power projects.

Corporate Social Responsibility

In fulfilling the triple bottom line framework of "people, planet, and prosperity", AboitizPower and its Business Units realize their aspirations to "advance business and communities" through the Aboitiz Group's social development

arm, Aboitiz Foundation, Inc. (Aboitiz Foundation). As a partner in nation building, AboitizPower extends educational scholarships, cooperative assistance programs, environmental campaigns, and CSR activities to its partner communities. Keeping with its framework and aspirations, the Company, via Aboitiz Foundation and its Business Units' direct funds, invested a total of ₱238.5 mn in CSR projects and initiatives to support its partner communities in 2025. Broken down, this consisted of ₱65.1 mn for future leaders' programs (e.g., educational scholarship), ₱60.7 mn for enterprise or livelihood programs, ₱9.2 mn for climate action, ₱67.95 mn for disaster resilience, and ₱35.6 mn for other initiatives.

AboitizPower continues to assist its partner communities by complying with Energy Regulations No. 1-94 (ER 1-94) Program. The aforementioned program is a policy under the DOE Act of 1992 and the EPIRA, which stipulates that host communities will get a share of one centavo for every kilowatt-hour (₱0.01/kWh) energy sold by power plants operating in its area. Host beneficiaries can use the funds generated for the electrification projects, development, and livelihood programs, reforestation, watershed management, health, and environmental enhancement initiatives. AboitizPower generated about ₱92 mn worth of ER 1-94 funds in 2025 to benefit about 150 host beneficiaries across the country.

Beyond Compliance

a. A-Park Program

The A-Park Program is the Aboitiz Group's partnership with the Ramon Aboitiz Foundation Inc., Philippine Business for Social Progress, and the carbon sink program of TSI and TVI as part of the Enhanced National Greening Program of the DENR. As a prominent tree-growing initiative, it has resulted in the planting of as many as 3.1 mn trees in 6,663 hectares between 2016 to 2025.

b. Aboitiz Cleanergy Park

The Aboitiz Cleanergy Park, located in Davao City, serves as a sanctuary and safe nesting ground for the critically endangered Hawksbill sea turtles (*Eretmochelys imbricata*), as well as for more than 108 species of endemic and migratory birds, and marine species.. The eight-hectare park actively promotes decarbonization in an urban area through habitat conservation and biodiversity management, showcasing a mangrove reforestation site and nursery. From 2014 to 2025, the park has already released more than 10,482 hatchlings to the sea, planted 33,418 mangroves, and rescued 37 *pawikans*. The DENR has designated it as the Pawikan Rescue Center of Davao City.

c. Cleanergy Center and Energy Education Resource Center

Located at the Makiling-Banahaw Geothermal Complex of APRI, the Cleanergy Center is an educational facility that serves to uphold the Aboitiz Group's advocacy to renewable energy education. Launched in August 2013, the Center has audiovisual presentations, interactive displays, and a working geothermal power plant tour. It has since accommodated 68,223 local and international visitors.

Meanwhile, the Energy Education Center is a public facility at the TSI plant in Davao that teaches electric power generation via interactive scale models and displays of the Philippine energy sector and various advanced technologies, as well as an overview of the TSI plant's 300 MW operations. Since its inauguration by TSI and the Aboitiz Foundation in May 2016 up to the year 2025, it has welcomed 5,677 visitors.

d. #BetterTogether Talks

Launched in 2021, the #BetterTogether series was created to improve the AboitizPower team members' knowledge and appreciation of Sustainability and different ESG topics and issues that impact the Company and its stakeholders. External subject-matter experts are invited to speak and enrich the discussion on various sustainability concerns, and team member experts also join the panel discussions. In 2025, sessions focused on educating AboitizPower team members on trends and concepts of the energy transition. The topics include discussions on the DOE's Philippine Energy Plan (PEP); World Energy Council's (WEC) Energy Trilemma and its three dimensions: Energy Equity, Energy Security, and Environmental Sustainability; the

role of AI Speak on energy transition goals; and emerging energy transition technologies such as ammonia co-firing.

e. Diversity, Equity, Inclusion and Belongingness (DEIB)

AboitizPower's diversity and inclusion campaign has focused on communicating merit primacy above gender, sexual orientation, age, religion, nationality, or ethnic background. In 2023, the Company advances its advocacy in this area by releasing a DEIB Policy that recognizes its importance in the workplace and that the Company will ensure all of its employees are valued, protected, and celebrated. AboitizPower also partnered with organizations such as Philippine Financial & Inter-Industry Pride ("PFIP") and the Philippine Business Coalition for Women Empowerment ("PBCWE") to learn and improve practices for DEIB. In 2025, the Company joined the PFIP's Pride Summit and facilitated one of the breakout sessions which tackled adversities and successes of local Filipino companies on DEIB. Moreover, the Company affirmed its support for diversity and inclusivity in the workplace by participating in the Pride March Festival at UP Diliman for the third year.

f. Other Initiatives

As part of its efforts to reduce carbon emissions and enhance climate resilience, AboitizPower and its Subsidiaries participated in numerous other initiatives. These include tree planting, watershed projects, adoption of protected areas, such as rivers and *esteros*, coastal and river clean-ups, and Philippine Eagle Adoption.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

- (a) Exhibits. None
(b) Reports on SEC Form 17-C

Reports filed by AboitizPower on SEC Form 17-C from April 2025 to March 2026 are as follows:

Date Reported	Disclosure Details
April 15, 2025	Confirmation of Disconnection of Naga Plants
April 24, 2025	Clarification to the April 23, 2025 Business World article entitled: “AboitizPower breaks ground for hybrid energy storage in Agusan del Norte”
April 28, 2025	Results of Annual Stockholders' Meeting
April 28, 2025	Results of Organizational Board Meeting
April 28, 2025	Approval by the Shareholders of the Amendment to the Articles of Incorporation
April 28, 2025	Change in Corporate Contact Details
April 29, 2025	Clarification to the April 26, 2025 Daily Tribune Article entitled: “AboitizPower turns over P6M in community shares to host communities”
April 29, 2025	Filing of Registration Statement for Php100bn Bonds
April 29, 2025	First Quarter 2025 Financial and Operating Results
April 29, 2025	Clarification to the April 28, 2025 Manila Bulletin Article entitled “AboitizPower: Six ongoing RE projects for completion in 2026”
April 29, 2025	PhilRatings' Credit Rating for First Tranche of Bonds
June 16, 2025	Clarification to the June 13, 2025 Daily Tribune article entitled: “SEC clears AboitizPower's P30B bond sale”
June 25, 2025	SEC Order of Registration and Permit to Sell
June 30, 2025	Settlement of IEMOP Penalties
July 4, 2025	SEC's Approval of the Amendment to the Articles of Incorporation
July 4, 2025	SEC's Approval of the Amendment to the By Laws
July 4, 2025	Thunder Consortium Bid for CBK HEPP Complex
July 4, 2025	Clarification to the July 3, 2025 Business World article entitled “Aboitiz Power keen on scaling up solar capacity”
July 4, 2025	Clarification to the July 3, 2025 Business World article entitled “AboitizPower unit eyes operations of P18.6-B solar project by 2029”
July 4, 2025	Clarification to the July 2, 2025 Manila Bulletin article entitled: “AboitizPower vs. FGen for CBK hydro plant privatization as 2 consortia qualify to bid”
July 7, 2025	Approval of the Shortening of CPPC's Corporate Term
July 8, 2025	Clarification to the July 7, 2025 Manila Bulletin article entitled “AboitizPower to intensify RE drive with GEA-4 bid”
July 8, 2025	Clarification to the July 6, 2025 The Philippine Star article entitled: “Hydro

Date Reported	Disclosure Details
	business fueling AboitizPower's RE wave"
July 14, 2025	Change in Business Address
July 14, 2025	Listing of First Tranche Bonds with PDEX
July 14, 2025	SN AboitizPower-Magat and SN AboitizPower-Benguet's Payment of PEMC Penalties
July 17, 2025	Clarification to the July 15, 2025 Business World article entitled "AboitizPower to build 30-MW energy storage in Cebu"
July 18, 2025	Receipt of Notice of Award by the Thunder Consortium
July 22, 2025	Clarification to the July 21, 2025 Business World article entitled "SN Aboitiz Power eyes solar projects for portfolio diversification"
July 24, 2025	Clarification to the July 24, 2025 Daily Tribune article entitled "Aboitiz cleared to run 137-MW solar project"
July 25, 2025	CPPC's payment of the Final Billing Statement from IEMOP
August 8, 2025	Second Quarter/First Half 2025 Financial and Operating Results
August 14, 2025	Thunder Consortium's Signing of Relevant Project Agreement with PSALM and NPC for CBK
September 19, 2025	Early Redemption of 2018 Series C Bonds
October 1, 2025	Record Dates for First Tranche Bonds
October 7, 2025	Settlement of PV Sinag's Bureau of Customs Penalties
October 10, 2025	Clarification to October 10, 2025 The Manila Times article entitled "TDK taps Aboitiz unit for plant's solar rooftop"
October 14, 2025	Clarification to the October 10, 2025 Philippine Daily Inquirer article entitled "Aboitiz unit allots initial P1B for Davao utility"
October 28, 2025	Third Quarter 2025 Financial and Operating Results
October 28, 2025	Matters Approved by the Board of Directors on October 28, 2025
October 29, 2025	Acquisition of Equity Stake in Van Phong
October 29, 2025	Confirmation of Full Payment of Series C Bonds
October 30, 2025	Decommissioning and Deregistration of EAUC's Diesel Generator Unit
November 6, 2025	Clarification of November 5, 2025 The Philippine Star article entitled "AboitizPower sets P7.6 billion solar expansion in Zambales"
November 25, 2025	Matters Approved by the Board of Directors on November 25, 2025
November 28, 2025	PCC Approval of the Thunder Consortium's Acquisition of the CBK Hydroelectric Power Plant Complex
November 28, 2025	SNAP-Magat Appeal with the Philippine Electricity Market Corporation Enforcement and Compliance Office on Penalties
December 12, 2025	ARI Acquisition of Ubay Solar Corporation
December 17, 2025	Thunder Consortium Secures Bridge Loan Facilities from BDO Unibank and Metropolitan Bank and Trust Company

Date Reported	Disclosure Details
December 19, 2025	Thunder Consortium's Acquisition of the Caliraya-Botocan-Kalayaan Hydroelectric Power Plant Complex
January 12, 2026	SN Aboitiz Power-Benguet's receipt of a Statement of Account from the ERC for a Penalty
January 27, 2026	Matters Approved by the Board of Directors on January 27, 2026
February 25, 2026	Shortening of Corporate Term of Cotabato Ice Plant, Inc.
March 5, 2026	AboitizPower Full Year 2025 Financial and Operating Results
March 5, 2026	Matters Approved by the AboitizPower Board of Directors on March 5, 2026
March 5, 2026	Declaration of Regular Cash Dividends
March 5, 2026	Declaration of Special Cash Dividends
March 5, 2026	Notice and Agenda of 2026 ASM
March 11, 2026	Clarification to the March 10, 2026 Manila Bulletin article entitled "Aboitiz unit lands ₱6.1-Billion loan from BPI for Onshore Wind"
March 18, 2026	Clarification to the March 16, 2026 Philippine Daily Inquirer article entitled "Aboitiz-back SNAP eyes more green projects"
March 24, 2026	Matters Approved by the AboitizPower Board of Directors on March 24, 2026
March 24, 2026	Nominees to the Board of Directors
March 27, 2026	List of Stockholders entitled to vote as of March 23, 2026

(c) Sustainability Report

The 2025 Aboitiz Group Annual Report and Sustainability Report (the "2025 Consolidated Annual Report") is submitted together with the Company's SEC Form 17-A (2025 Annual Report) and is also available for download at AEV's website at latest Annual Report page in the Investor Relations tab in: <https://abotiz.com/corporate-governance/abotiz-integrated-report>

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code, AboitizPower has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Makati on 15 APR 2026.

By:



DANIEL C. ABOITIZ
Principal Executive Officer



JUAN ALEJANDRO A. ABOITIZ
Principal Financial Officer



RAULFO J. JAVELOSA, III
Corporate Secretary



MA. RACQUEL J. BUSTAMANTE
Controller/Principal Accounting Officer

BEFORE ME, a notary public in and for the city named above, personally appeared:

NAME	GOVT. ISSUED ID	DATE / PLACE OF ISSUE
DANEL C. ABOITIZ	Passport No. [REDACTED]	March 11, 2024 [REDACTED]
JUAN ALEJANDRO A. ABOITIZ	Passport No. [REDACTED]	[REDACTED]
RANULFO J. JAVELOSA, III	Passport No. [REDACTED]	July 11, 2024 [REDACTED]
MA. RACQUEL J. BUSTMANTE	Passport No. [REDACTED]	[REDACTED] DIA NON SOUTH

who were identified by me through competent evidence of identity to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took an oath/affirmation before me as to such instrument.

Witness my hand and seal this April 15, 2026.

Doc. No. 242;
Page No. 50;
Book No. 1;
Series of 2026.



SGD.

ATTY. MONICA THERESE B. LEE
Notary Public for Makati City
Notarial Commission No: M-176 (2026-2027)
Until December 31, 2027
Ayala Triangle Gardens Tower 2, Paseo De Roxas
corner Makati Avenue, Makati City
Roll No: 83965 Admitted to the Bar 15 June 2022
PTR No: MKT10766495, 07 January 2026, Makati City
IBP No: 565978, 15 December 2025, Makati Chapter
MCLE Compliance No: VIII-0038608

ANNEX “A” – Conglomerate Map

ABOITIZ POWER CORPORATION CONGLOMERATE MAPPING As of February 28, 2026

Legend:

Reporting Company
Parent Company
Subsidiary
Associate or Joint Venture
Other Related Parties



** Joint Operations

₁ formerly, Aboitiz Energy Solutions, Inc.

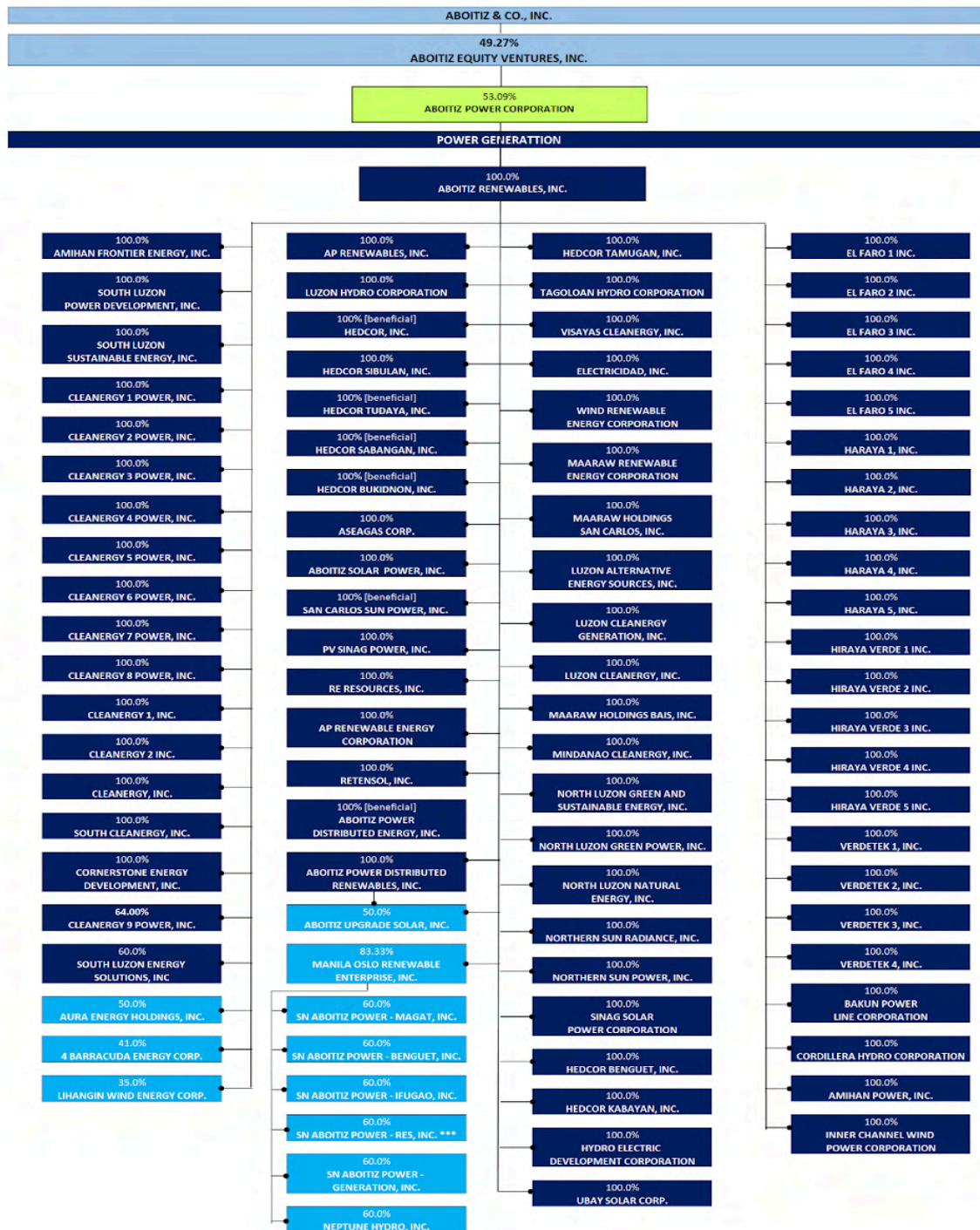
₂ formerly, STEAG State Power, Inc.

₃ 25% owned by TPI

ABOITIZ POWER CORPORATION
CONGLOMERATE MAPPING
As of February 28, 2026

Legend:

- Reporting Company
- Parent Company
- Subsidiary
- Associate or Joint Venture
- Other Related Parties

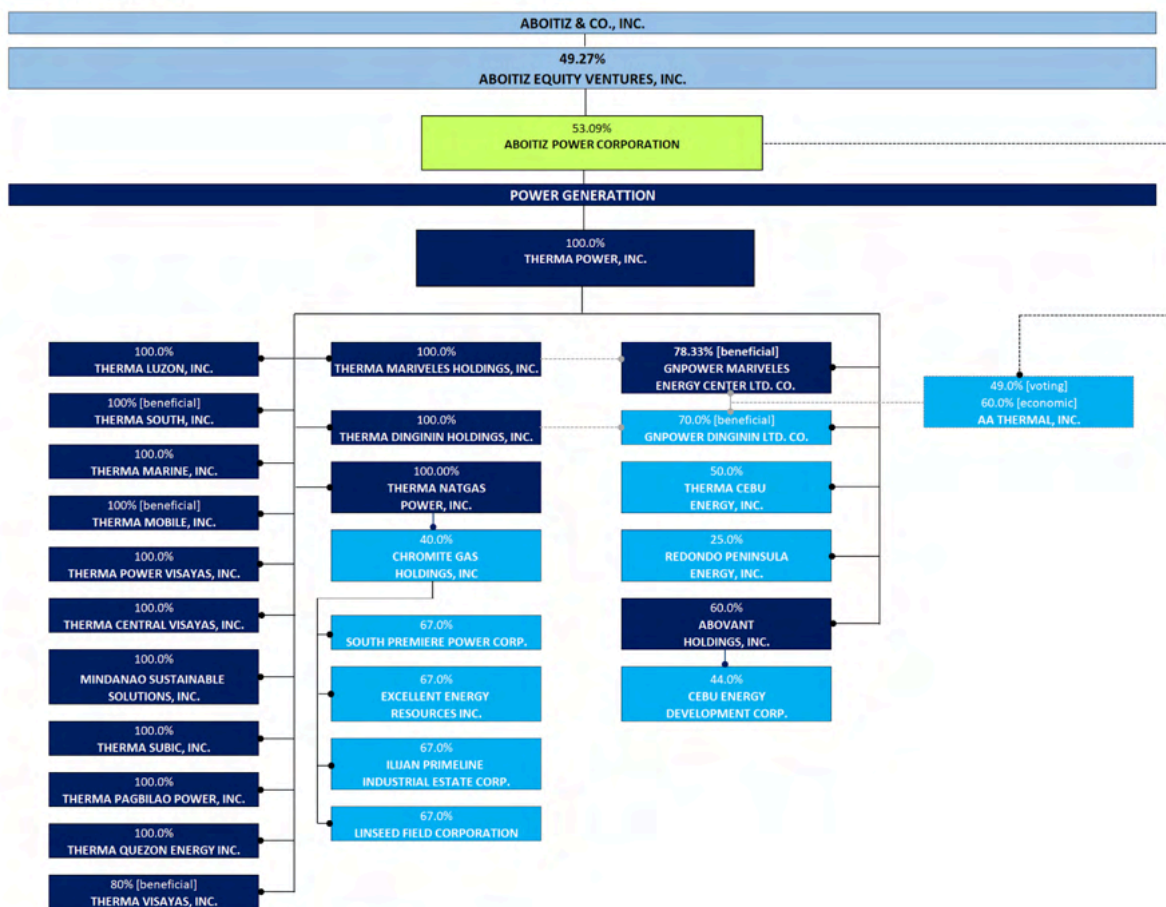


*** Engages in retail electricity supply business

ABOITIZ POWER CORPORATION
CONGLOMERATE MAPPING
As of February 28, 2026

Legend:

- Reporting Company
- Parent Company
- Subsidiary
- Associate or Joint Venture
- Other Related Parties



ANNEX “B” – Certificates of Compliance

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
		Name	Type	Location	Capacity	Fuel	Economic Life/Term of COC	
Provisional Authority to Operate	Hedcor, Inc.	Irisan 3	Hydroelectric Power Plant	Brgy. Tadiangan, Tuba, Benguet	1.200 MW	Hydro	November 5, 2025 - November 4, 2026	October 16, 2025
Provisional Authority to Operate	Hedcor, Inc.	Bineng 3	Hydroelectric Power Plant	Brgy. Bineng, La Trinidad, Benguet	5.625 MW	Hydro	November 5, 2025 - November 4, 2026	October 9, 2025
Provisional Authority to Operate	Hedcor, Inc.	Ampohaw	Hydroelectric Power Plant	Brgy. Banengbeng, Sablan, Benguet	8.00 MW	Hydro	November 5, 2025 - November 4, 2026	October 15, 2025
Provisional Authority to Operate	Hedcor, Inc.	La Trinidad	Hydroelectric Power Plant	Brgy. Bineng, La Trinidad, Benguet	20.400 MW	Hydro	October 6, 2025 - October 5, 2026	September 17, 2025
			Standby Diesel Engine Generating Unit (SDEGU)		.200 MW	SDEGU		
Provisional Authority to Operate	Hedcor, Inc.	Sal-angan	Hydroelectric Power Plant	Brgy. Ampucao, Itogon, Benguet	2.600 MW	Hydro	November 5, 2025 - November 4, 2026	October 21, 2025
Provisional Authority to Operate	Hedcor, Inc.	Irisan 1	Hydroelectric Power Plant	Brgy. Tadiangan, Tuba, Benguet	3.897 MW	Hydro	May 2, 2025 - May 1, 2026	April 25, 2025
Provisional Authority to Operate	Hedcor, Inc.	Ferdinand L. Singit Plant (FLS)	Hydroelectric Power Plant	Brgy. Poblacion, Bakun, Benguet	6.440 MW	Hydro	November 5, 2025 - November 4, 2026	October 9, 2025
		Lower Labay			2.400 MW			
		Lon-oy			3.600 MW			
Provisional Authority to Operate	Hedcor Sibulan, Inc.	Sibulan A	Hydroelectric Power Plant	Brgy. Sibulan, Sta. Cruz, Davao del Sur	16.328 MW	Hydro	January 19, 2026 – January 18, 2027	December 19, 2025
			SDEGU		0.306 MW	SDEGU		
Provisional Authority to Operate	Hedcor Sibulan, Inc.	Sibulan B	Hydroelectric Power Plant	Brgy. Darong, Sta. Cruz, Davao del Sur	26.256 MW	Hydro	November 24, 2025 - November 23, 2026	December 1, 2025
			SDEGU		0.306	SDEGU		

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
		Name	Type	Location	Capacity	Fuel	Economic Life/Term of COC	
					MW			
Provisional Authority to Operate	Hedcor Sibulan, Inc.	Tudaya 1	Hydroelectric Power Plant	Brgy. Sibulan, Sta. Cruz, Davao del Sur	6.654 MW	Hydro	January 19, 2026 – January 18, 2027	December 17, 2025
Provisional Authority to Operate ²⁹	Hedcor Tudaya, Inc.	Tudaya 2	Hydroelectric Power Plant	Brgy. Sibulan, Sta. Cruz, Davao del Sur	8.137 MW	Hydro	April 11, 2025 - April 10, 2026	April 3, 2025
Provisional Authority to Operate ³⁰	Luzon Hydro Corporation	Bakun AC	Hydroelectric Power Plant	Brgy. Amilongan, Alilem, Ilocos Sur	74.80 MW	Hydro	July 30, 2025 – July 29, 2026	July 10, 2025
Provisional Authority to Operate	Hedcor Sabangan, Inc.	Sabangan Hydro	Hydroelectric Power Plant	Brgy. Namatec, Sabangan, Mountain Province	14.139 MW	Hydro	September 29, 2025 - September 28, 2026	August 13, 2025
Provisional Authority to Operate	Hedcor, Inc.	Talomo 1	Hydroelectric Power Plant	Brgy. Malagos, Davao City, Davao del Sur	1.000 MW	Hydro	February 16, 2026 - February 15, 2027	January 16, 2026
Provisional Authority to Operate	Hedcor, Inc.	Talomo 2	Hydroelectric Power Plant	Brgy. Mintal, Davao City, Davao del Sur	0.600 MW	Hydro	February 16, 2026 - February 15, 2027	January 12, 2026
Provisional Authority to Operate	Hedcor, Inc.	Talomo 2A	Hydroelectric Power Plant	Brgy. Tugbok Proper, Davao City, Davao del Sur	0.650 MW	Hydro	February 16, 2026 - February 15, 2027	January 12, 2026
Provisional Authority to Operate	Hedcor, Inc.	Talomo 2B	Hydroelectric Power Plant	Brgy. Tugbok Proper, Davao City, Davao del Sur	0.300 MW	Hydro	February 16, 2026 - February 15, 2027	January 8, 2026
Provisional Authority to Operate	Hedcor, Inc.	Talomo 3	Hydroelectric Power Plant	Brgy. Catalunan, Pequeño, Davao City, Davao del Sur	1.920 MW	Hydro	February 16, 2026 - February 15, 2027	January 8, 2026
Provisional Authority to Operate	Hedcor Bukidnon, Inc.	Manolo Fortich 1	Hydroelectric Power Plant	Manolo Fortich, Bukidnon	45.936 MW	Hydro	June 18, 2025 - June 17, 2026	May 19, 2025
Provisional Authority to Operate	Hedcor Bukidnon, Inc.	Manolo Fortich 2	Hydroelectric Power Plant	Manolo Fortich, Bukidnon	27.387 MW	Hydro	June 18, 2025 - June 17, 2026	May 19, 2025

²⁹ Has an ongoing application with the ERC for extension of its PAO

³⁰ On February 7, 2026, the Bakun AC HEPP Plant was officially turned over to PSALM pursuant to LHC's PPA with NPC.

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
		Name	Type	Location	Capacity	Fuel	Economic Life/Term of COC	
Provisional Authority to Operate	San Carlos Sun Power Inc.	SACASUN	Solar Power Plant	Brgy. Punao, San Carlos City, Negros Occidental	58.981 MWp	Solar	July 13, 2025 - July 12, 2026	February 13, 2026
COC No. 25-02-M-15911 M	Cotabato Light and Power Company, Inc.	CLPC 9.641 MW Bunker C-Fired Diesel Power Plant and its 0.010 MW Black Start Diesel Engine Generating Unit	Bunker C-Fired Diesel Engine	Sinsuat Ave., Brgy. Rosary Heights I, Cotabato City, Maguindanao del Norte	9.641 MW	Oil-Based	Perpetual starting February 13, 2025 unless suspended, revoked, or annulled by the ERC	February 13, 2025
			Blackstart		0.010 MW	Diesel		
Provisional Authority to Operate	East Asia Utilities Corporation	N/A	Bunker C/Diesel Fired Power Plant	Barrio Ibo, MEPZ 1, Lapu-Lapu City, Cebu	49.600 MW	Bunker C/ Diesel	June 11, 2025 - June 10, 2026	May 19, 2025
			Blackstart		.500 MW	Diesel		
Provisional Authority to Operate	Western Mindanao Power Corporation	N/A	Bunker C-Fired Power Plant	Malasugat, Sangali, Zamboanga City	112 MW	Bunker C/ Diesel	September 30, 2025 – September 29, 2026	October 6, 2025
		N/A	Blackstart		.160 MW	Diesel		
Provisional Authority to Operate	SN Aboitiz Power – Magat, Inc. (Magat Hydroelectric Power Plant)	Magat Hydroelectric Power Plant	Hydroelectric Power Plant	Brgy. General Aguinaldo, Ramon, Isabela and A. Lista, Ifugao	360.00 MW	Hydro	November 29, 2025 - November 28, 2026	October 16, 2025
		Emergency Diesel Engine Generating Unit (EDEGU)	EDEGU		0.320 MW	EDEGU		
COC No. 25-12-M-00150 L	SN Aboitiz Power – Magat, Inc.	Maris Main Canal I Hydroelectric Power Plant	Hydroelectric Power Plant	Brgy. Ambatali, Ramon, Isabela	8.500 MW	Hydro	Perpetual starting December 16, 2025 unless suspended, revoked, or annulled by ERC	December 16, 2025
		EDEGU	EDEGU		0.150 MW	EDEGU		
Provisional Authority to Operate	SN Aboitiz Power – Benguet, Inc.	Binga Hydroelectric Power Plant (HEPP)	Hydroelectric Power Plant	Brgy. Tinongdan, Itogon, Benguet	140.080 MW	Hydro	March 12, 2026 - March 11, 2027	January 19, 2026
		Binga Hydroelectric Power Plant	Blackstart Generator Set		0.320 MW	Diesel		
		Binga Hydroelectric Power Plant	EDEGU		0.330 MW	Diesel		

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
		Name	Type	Location	Capacity	Fuel	Economic Life/Term of COC	
Provisional Authority to Operate	SN Aboitiz Power – Benguet, Inc.	Ambuklao Hydroelectric Power Plant (HEPP)	Hydroelectric Power Plant	Brgy. Ambuklao, Bokod, Benguet	104.550 MW	Hydro	August 31, 2025 - August 30, 2026	August 1, 2025
		Black Start Diesel Engine Generating Unit	Black Start		0.320 MW	Diesel		
		EDEGU	EDEGU		0.310 MW	Diesel		
COC No. 25-10-M-00354 L	SN Aboitiz Power – Magat, Inc.	Magat Battery Energy Storage System	Battery Energy Storage System	General Aguinaldo, Ramon, Isabela	32.425 / 32.428 MWh	BESS	Perpetual starting October 29, 2025 unless suspended, revoked, or annulled by ERC	October 29, 2025
COC No. 21-11-M-00016 M	STEAG State Power, Inc. (Now: SPI Power Incorporated)	Mindanao Coal Fired Thermal Power Plant	Coal Fired Power Plant	Phividec Industrial Estate, Villanueva, Misamis Oriental	232.000 MW	Coal	August 30, 2021 – August 29, 2026	November 12, 2021
COC No. 22-12-S-04892 M		N/A	Emergency Generating Set	Phividec Industrial Estate, Balacanas, Villanueva, Misamis Oriental	1.25 MW	Diesel	December 22, 2022 – December 22, 2027	December 23, 2022
COC No. 19-09-S-00013 M		N/A	Diesel Engine	Phividec Industrial Estate, Balacanas, Villanueva, Misamis Oriental	400 kW	Diesel	August 30, 2021 – August 29, 2026	November 12, 2021
Provisional Authority to Operate	AP Renewables, Inc.	Makban – Bay, Plant A, Unit 1	Geothermal Power Plant	Brgy. Bitin, Bay, Laguna	63.200 MW	Geo-thermal Steam	December 1, 2025 to November 30, 2026	November 28, 2025
		Makban – Bay, Plant A, Unit 2			63.200 MW			
		Makban Bay - Diesel Genset	SDEGU		0.225 MW	Diesel		
Provisional Authority to Operate	AP Renewables, Inc.	Makban – Calauan, Plant B, Unit 3	Geothermal Power Plant	Brgy. Limao, Calauan, Laguna	63.2 MW	Geo-thermal Steam	December 1, 2025 to November 30, 2026	December 1, 2025
		Makban – Calauan, Plant B, Unit 4			63.2 MW			
		Makban – Calauan, Plant B - Diesel Genset	SDEGU		0.220 MW	Diesel		

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
		Name	Type	Location	Capacity	Fuel	Economic Life/Term of COC	
		Makban – Bay, Plant D, Unit 7	Geothermal Power Plant	Brgy. Bitin, Bay, Laguna	20.000 MW	Geo-thermal Steam		
		Makban – Bay, Plant D, Unit 8			20.000 MW			
		Makban – Bay, Plant D - Diesel Genset	SDEGU		0.220 MW	Diesel		
Provisional Authority to Operate	AP Renewables, Inc.	Makban – Sto. Tomas, Plant E, Unit 9	Geothermal Power Plant	Brgy. Sta. Elena, Sto. Tomas, Batangas	20.000 MW	Geo-thermal Steam	December 1, 2025 to November 30, 2026	December 1, 2025
		Makban – Sto. Tomas, Plant E, Unit 10			20.000 MW			
		Makban – Sto. Tomas, Plant E- Diesel Genset	SDEGU		0.500 MW	Diesel		
Provisional Authority to Operate	AP Renewables, Inc.	Tiwi Plant A, Unit 1	Geothermal Power Plant	Brgy. Naga, Tiwi, Albay	110.400 MW	Geo-thermal Steam	December 12, 2025 – December 11, 2026	December 4, 2025
		Tiwi Plant A, Unit 2						
		Tiwi A - Diesel Genset (1)	SDEGU		0.24 MW	Diesel		
Provisional Authority to Operate	AP Renewables, Inc.	Tiwi Plant C, Unit 5	Geothermal Power Plant	Brgy. Cale, Tiwi, Albay	110.400 MW	Geo-thermal Steam	December 12, 2025 – December 11, 2026	December 3, 2025
		Tiwi Plant C, Unit 6						
		Tiwi C - Diesel Genset (1)	SDEGU		0.240 MW	Diesel		
Provisional Authority to Operate	AP Renewables, Inc.	MakBan Binary 1	Geothermal Power Plant	Brgy. Sta. Elena, Sto. Tomas, Batangas	7.0 MW	Brine	November 07, 2025 - November 06, 2026	October 30, 2025
		Makban Binary 1 - Diesel Genset	SDEGU		0.25 MW	Diesel		
Provisional Authority to Operate	AP Renewables, Inc.	Tiwi Binary	Geothermal Power Plant	Brgy. Cale, Tiwi, Albay	17.0 MW	Brine	May 22, 2025 - May 21, 2026	May 23, 2025
Provisional Authority to Operate	Therma Marine, Inc.	Mobile 1	Bunker C-Fired Diesel Power Plant	Brgy. San Roque, Maco, Davao de Oro	100.337 MW	Diesel	April 19, 2025 – April 18, 2026	April 3, 2025
			Blackstart		1.680 MW	Diesel		
Provisional Authority to Operate	Therma Marine, Inc.	M1 - BESS	Auxiliary Battery Energy Storage System	Brgy. San Roque, Maco, Davao de Oro	31.547 MWh	BESS	April 19, 2025 – April 18, 2026	April 3, 2025
Provisional Authority to Operate	Therma Marine, Inc.	Mobile 2	Diesel Power Plant	Lawis, Brgy. Sta. Ana, Nasipit, Agusan del Norte	100.327 MW	Diesel	April 6, 2026 – April 5, 2027	March 5, 2026
			Blackstart		1.680 MW	Diesel		

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
		Name	Type	Location	Capacity	Fuel	Economic Life/Term of COC	
Provisional Authority to Operate	Therma Mobile, Inc.	Barge 1/Mobile 3	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Baradero Street, North Bay Blvd., Navotas City	60 MW	Bunker C/ Diesel	July 9, 2025 - July 8, 2026	July 7, 2025
			Auxiliary Diesel Engine Generating Unit		0.500 MW	ADEGU		
Provisional Authority to Operate	Therma Mobile, Inc.	Barge 3/ Mobile 5	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Baradero Street, North Bay Blvd., Navotas City	56 MW	Bunker C/ Diesel	July 9, 2025 - July 8, 2026	July 7, 2024
			Auxiliary Diesel Engine Generating Unit		0.400 MW	ADEGU		
Provisional Authority to Operate	Therma South, Inc.	Unit 1	Coal Fired Power Plant	Brgy. Binugao, Toril District, Davao City	300.050 MW	Coal	September 1, 2025 – August 31, 2026	August 27, 2025
		Unit 2						
Provisional Authority to Operate	Therma Visayas, Inc.	Therma Visayas Circulating Fluidized Bed Coal-Fired Power Plant	Coal-Fired Power Plant	Brgy. Bato, Toledo City, Cebu	353.940 MW	Coal	January 5, 2026 - January 4, 2027	December 12, 2025
Provisional Authority to Operate 26-01-05-M-PAO-A-0544L (1)	Therma Luzon, Inc.	Pagbilao Coal Fired Power Plant	Coal Fired Thermal Power Plant	Isla Grande, Brgy. Ibabang Polo, Pagbilao, Quezon	751.400 MW	Coal	January 5, 2026 - July 19, 2026	January 14, 2026
			Blackstart		.800 MW	EDEGU		
Provisional Authority to Operate	Pagbilao Energy Corporation	Pagbilao Unit 3 Coal Fired Thermal Power Plant	Coal Fired Thermal Power Plant	Isla Grande, Brgy. Ibabang Polo, Pagbilao, Quezon	420 MW	Coal	February 19, 2026 – February 18, 2027	January 30, 2025
			Blackstart		1.040 MW	Diesel		
COC No. 25-11-M-00282 L	GNPower Mariveles Coal Plant Ltd. Co.	Unit 1 and 2	Coal Fired Power Plant	Brgy. Alas-asin, Mariveles, Bataan	651.610 MW	Coal	Perpetual starting November 24, 2025 unless suspended, revoked, or annulled by ERC	November 24, 2025
		Unit 1 and 2	SDEGU		1.500MW	Diesel		
COC No. 22-10-M-00203 L	GNPower Dinginin Ltd. Co.	Unit 1	Supercritical Coal-Fired Power Plant	Coastal Area, Sitio Dinginin, Brgy. Alas-asin, Mariveles, Bataan	1,449.930 MW	Coal	December 2, 2021 - December 1, 2026	December 2, 2021
		Unit 2					October 11, 2022 –	October 11, 2022

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
		Name	Type	Location	Capacity	Fuel	Economic Life/Term of COC	
							December 1, 2026	
COC No. 21-04-S-04285L		Unit 1 and 2	SDEGU		2.4MW	Diesel	April 30, 2021 - April 29, 2026	April 30, 2021
Provisional Authority to Operate	PV Sinag Power Inc.	Cayanga Bugallon	Solar Power Plant	Brgy. Cayanga, Bugallon, Pangasinan	94.717 MWp	Solar	July 9, 2025 - July 8, 2026	June 18, 2025
COC No. 24-12-N-00332L	PV Sinag Power Inc.	Laoag	Solar Power Plant	Brgy. Laoag, Aguilar, Pangasinan	159.032 MWp	Solar	Perpetual starting December 11, 2024 unless suspended, revoked, or annulled by the ERC	December 11, 2024
CoC No. 25-08-M-00335L	RE Resources, Inc.	Armenia Solar Power Project (SPP)	Solar Power Plant	Brgy. Armenia, Tarlac City, Tarlac	46.658 MWp DC	Solar	Perpetual starting December 11, 2024 unless suspended, revoked, or annulled by ERC	August 13, 2025
		SDEGU			.412 MW	Diesel		
Provisional Authority to Operate	Aboitz Power Solar Inc.	Calatrava SPP	Solar Power Plant	Brgy. San Isidro, Calatrava, Negros Occidental	168.953 MWp DC	Solar	July 24, 2025 - July 23, 2026	July 24, 2025
		SDEGU	SDEGU		.300 MW	SDEGU		

Annex C. Reporting Template

We are pleased to present the 2025 Annual Integrated Report of our parent holding company, Aboitiz Equity Ventures, Inc. (AEV). The Report provides information on financial, operational, governance, social, and environmental performance for AEV's business subsidiaries, including Aboitiz Power Corporation (AboitizPower), represented as 'Power' in the report.

The Integrated Report contains data covering a full year—from January 1 to December 31, 2025—and focuses on AEV's strategic business units: Power, Banking and Financial Services, Food, Infrastructure, Land, and Data Science and Artificial Intelligence (DSAI). We gathered reports on their performance in the following focus areas: team member engagement and development, corporate social responsibility, customer focus, disaster resilience, carbon emissions reduction, resource efficiency, renewable energy, waste management, and financial growth and returns.

The results of AboitizPower's operations are discussed on pages 19, 32, 34-36, and 41 of the 2025 AEV Annual Integrated Report.

Monetary values in the Report are presented in Philippine Pesos (PHP), which is AEV's Reporting Standards and Guidance GRI Standards functional currency. All information is disclosed to uphold ethical and transparent principles and to communicate vital information to our stakeholders.

This report complies with the Securities and Exchange Commission Memorandum Circular No. 4 Series of 2020: "Sustainability Reporting Guidelines for Publicly Listed Companies."

Kindly refer to the 2025 AEV Annual Integrated Report: NEXT, available for download at <https://abotiz.com/corporate-governance/abotiz-integrated-report>, and the Aboitiz Sustainability Microsite: <https://sustainability.abotiz.com/report/>.

Other key sustainability performance data of AboitizPower can also be found at <https://abotizpower.com/esg-sustainability>.

NOTE: The page numbers indicated as references are based on the actual page of the disclosure document's PDF file.

Contextual Information

Company Details	
Name of Organization	Aboitiz Power Corporation
Location of Headquarters	11F & 12F Ayala Triangle Gardens Tower 2, Paseo De Roxas corner Makati Avenue, Bel-Air 1209, City of Makati, NCR, Second District, Philippines
Location of Operations	The locations of operations of the AboitizPower Group's businesses are found on page 28 of the 2025 AEV Annual Integrated Report
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	The reporting scope is found in the About the Report section on pages 8-9 of the 2025 Annual Integrated Report.
Business Model, including Primary Activities, Brands, Products, and Services	Kindly refer to page 19 of the 2025 AEV Annual Integrated Report.
Reporting Period	January 1, 2025 to December 31, 2025
Highest Ranking Person responsible for this report	Danel C. Aboitiz President and Chief Executive Officer

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics. ¹
The materiality assessment process is discussed on page 5 of the 2025 AEV Annual Integrated Report (About the Report). Materiality is central to how the Aboitiz Group identifies, prioritizes, and manages sustainability-related risks and opportunities that may affect long-term value creation. In 2025, the Group evolved its approach by conducting a comprehensive Materiality Re-Assessment through a double-materiality lens. This methodology reflects a deeper commitment to integrated thinking by considering both the Group's impacts on the economy, environment, and society, and the potential financial effects of sustainability factors on the Group's performance and prospects. Aligned with IFRS S1 principles, the re-assessment organized material topics into four strategic clusters that serve as the

¹ See [GRI 102-46](#) (2016) for more guidance, stakeholder dialogues and company-wide feedback channels to inform the selection of these material issues, which were then sustainability-related.

foundation of the #OneAboitiz Sustainability Framework: Culture & People, Economic Resilience & Governance, Climate & Energy Opportunities, and Social Inclusion. By integrating these clusters into our operations, we ensure that sustainability is not a standalone initiative, but a fundamental driver of our long- term resilience and value creation.

Similarly, AboitizPower also conducted its own Materiality Assessment in 2023 to identify the material ESG topics and issues that could impact the overall business (operationally, financially, or reputationally), or the Company's impact on its stakeholders. A third-party consultant was commissioned to conduct the exercise, including interviews with internal and external stakeholders. As a result, the Company has identified 21 material topics important to the organization and its stakeholders. Among the top priority topics – categorized as critical for the Company given their high importance to stakeholders and high potential impact on the business – are Sustainable Growth, Energy Security and Equity, Greenhouse Gas (GHG) Emissions & Climate Strategy, and Product and Service Stewardship. The Company will continue to monitor and manage all these material topics in 2025 and address any gaps necessary to mitigate potential risks and maximize business opportunities. This can be found in the "Materiality Assessment" and "List of Material Topics" sections at <https://abotizpower.com/esg-sustainability>.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

AboitizPower’s financial performance is summarized on pages 13 and 15 for Financial Highlights and discussed on pages 10-12 for the CFO Message of the 2025 AEV Annual Integrated Report. Economic and Governance practices of AboitizPower are also available on the company website at <https://abotizpower.com/sustainability/governance/>.

For our full financial data, refer to pages 2-3, 136-153, and the section on the “Notes to consolidated financial statements” found on pages 235-347 of the 2025 20-IS Definitive Information Statement Report: <https://abotizpower.com/static-assets/uploads/pdf/ap-2025-information-statement.pdf>

Disclosure	Amount	Units
Direct economic value generated (revenue)	198.48	PHP billions
Direct economic value distributed:		
a. Operating costs	160.74	PHP billions
b. Employee wages and benefits	9.83	PHP billions
c. Payments to suppliers, other operating costs	Not itemized, included in operating costs	
d. Dividends given to stockholders		
i. Cash dividend per share	1.35	PHP
ii. Total declared cash dividend	9.73	PHP billions
and interest payments to loan providers	no data	
e. Taxes given to the government	6.62	PHP billions
f. Investments in the community (e.g. donations, CSR)	238.5	PHP millions

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	(e.g. employees, community, suppliers, government, vulnerable groups)	What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
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Climate-related risks and opportunities²

A discussion on the Aboitiz Group's Climate-related actions is found on pages 30, 34, 38, and 44 of the 2025 AEV Annual Integrated Report.

Our disclosures of the Climate Risk Scenario Analysis and Climate Strategy can also be found in our Aboitiz Sustainability Microsite: <https://sustainability.aboitiz.com/our-impact/climate-strategy/>

[Table answers to be referred to 2025 AEV Annual Integrated Report]

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around	Disclose the actual and potential impacts ³ of	Disclose how the organization identifies,	Disclose the metrics and targets used to assess and

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

³ For this disclosure, impact refers to the impact of climate-related issues on the company.

climate-related risks and opportunities	climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	assesses, and manages climate-related risks	manage relevant climate-related risks and opportunities where such information is material
Recommended Disclosures			
a) Describe the board's oversight of climate-related risks and opportunities	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	a) Describe the organization's processes for identifying and assessing climate-related risks	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
b) Describe management's role in assessing and managing climate-related risks and opportunities	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	b) Describe the organization's processes for managing climate-related risks	b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
The percentage of the procurement budget used for significant locations of operations that is spent on local suppliers	no available data	%

For Supply Chain Management Approach and significant improvements and innovations to our supply chain processes, refer to page 43 of the 2025 AEV Annual Integrated Report.

With the company's growing needs, AboitizPower ensures that it partners with suppliers who deliver products and services effectively, prioritize sustainability, and implement responsible business

practices. In 2021, the company released its Supplier Code of Conduct (SCOC), which aims to align supplier practices with AboitizPower's values and strengthen standards for conducting business.

The Code ensures all suppliers uphold and share the same values and sustainability principles when engaging with AboitizPower. It also requires adherence to the company's standards on compliance, ethics, social responsibility, labor practices, environmental stewardship, and quality.

AboitizPower encourages suppliers to cascade these same sustainable standards and commitments throughout their supply chains.

The Company's Supply Chain Management governance, programs, and metrics are also available on our website: <https://abotizpower.com/sustainability/governance#supplyChainManagement>

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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Anti-corruption

For our disclosures relevant to Anti-Corruption, refer to page 58 of the 2025 AEV Annual Integrated Report and pages 162-163 of the 2025 20-IS Definitive Information Statement Report:
<https://aboitizpower.com/static-assets/uploads/pdf/ap-2025-information-statement.pdf>

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
The percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	no available data	%
Percentage of directors and management who have received anti-corruption training	no available data	%
Percentage of employees who have received anti-corruption training	no available data	%

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	(e.g. employees, community, suppliers, government, vulnerable groups)	What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?
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What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
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Incidents of Corruption

Corruption-related reports or incidents are discussed on pages 162-163 of the 2025 20-IS Definitive Information Statement Report:

<https://aboitizpower.com/static-assets/uploads/pdf/ap-2025-information-statement.pdf>

There were no corruption-related incidents reported in 2025.

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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ENVIRONMENT

Information on environmental indicators material to the AboitizPower can be found on pages 19, 32, and 34 of the 2025 AEV Annual Integrated Report; while Cost and Effects of Compliance with Environmental Laws on pages 112-114 of the 2025 AP Definitive Information Statement Report: <https://aboitizpower.com/static-assets/uploads/pdf/ap-2025-information-statement.pdf>

Other key environment metrics, indicators, and practices of AboitizPower are also available on the AboitizPower website <https://aboitizpower.com/sustainability/environment>

A discussion on the Aboitiz Group's management approaches and initiatives for environmental stewardship is found on page 27 of the 2025 AEV Annual Integrated Report.

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources) Note: House Load and Station Power of RE Group	946,484.03	GJ
Energy consumption (Diesel, Heavy Fuel Oil, Gasoline, Coal) Remarks : As energy consumed for stationary sources and company-owned vehicles	108,410,805.94	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	consolidated in row 2	GJ
Energy consumption (electricity) Remarks : As electricity consumption (house load and purchased for facility use for GEN, house load and system loss for DU)	2,558,526.29	MWh

Reduction of energy consumption:

Disclosure	Quantity	Units
Energy reduction (gasoline)	no available data	GJ
Energy reduction (LPG)	no available data	GJ

Energy reduction (diesel)	no available data	GJ
Energy reduction (electricity)	None; higher energy consumption in 2024 vs 2025 due to the addition of new operationally controlled plants	kWh
Energy reduction (gasoline)	no available data	GJ

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal Note: As water withdrawn from Third Party Sources, Rainwater harvested, Groundwater, Surface Water, Seawater	511,371.62	million cubic meters

Water consumption	647.96	million cubic meters
Water recycled and reused Note: excluding seawater Recirculated seawater: 644.98 million cubic meters	0.53	million cubic meters

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume:		
Renewable: Hydropower generation	27,765.25	million cu-m
Renewable: Geothermal power generation	20,650,191	tonnes
Non-renewable Note: Excludes associated process materials	9,411,282.04	tonnes

Percentage of recycled input materials used to manufacture the organization's primary products and services	none	%

NOTE: Data reported excludes Distribution Utility purchased power.

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
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Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	8	sites
Habitats protected or restored	no available data	ha
IUCN ⁴ Red List species and national conservation list species with habitats in areas affected by operations	no available data	#

⁴ International Union for Conservation of Nature

[Table answers to be referred to 2025 AEV Annual Integrated Report]

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Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	data is available, but not publicly disclosed	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	data is available, but not publicly disclosed	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	no available data	Tonnes

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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Air Pollutants

Disclosure	Quantity	Units
NO _x	data is available, but not publicly disclosed	kg
SO _x	data is available, but not publicly disclosed	kg
Persistent organic pollutants (POPs)	no available data	kg
Volatile organic compounds (VOCs)	no available data	kg
Hazardous air pollutants (HAPs) Remark: As Lead and Mercury covering two sites	data is available, but not publicly disclosed	kg
Particulate matter (PM)	data is available, but not publicly disclosed	kg

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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Identify the opportunity/ies related to material topic of the organization		

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	308,245,849.42	kg
Reusable	28.32	kg
Recyclable	307,073,334.43	kg
Composted	31,293.25	kg
Incinerated	0	kg
Residuals/Landfilled	1,141,193.42	kg

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
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Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	1,433.45	tonnes
Total weight of hazardous waste transported	1,652.74	tonnes

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)	(e.g. employees, community, suppliers, government, vulnerable groups)	What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?

Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
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What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
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Effluents

Disclosure	Quantity	Units
Total volume of water discharges	510,083.59	million cubic meters
Percent of wastewater recycled Note: The reported percentage represents the amount of water recycled compared to the total water consumed excluding seawater, and it also accounts for water that is recirculated for use within operational processes	51.68	%

[Table answers to be referred to 2025 AEV Annual Integrated Report]

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Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PHP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

Refer to pages 112-114 of the 2025 20-IS Definitive Information Statement Report:
<https://aboitizpower.com/static-assets/uploads/pdf/ap-2025-information-statement.pdf>

In 2025, AboitizPower and its Subsidiaries did not incur any major sanctions for violating environmental standards and laws. AboitizPower remains cognizant of new opportunities to comply with regulatory requirements and improve systems to promote safety and prevent adverse impacts on the environment and affected ecosystems.

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)	(e.g. employees, community, suppliers, government, vulnerable groups)	What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and

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What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization		

SOCIAL

Information on social indicators material to the Aboitiz Group is found on pages 39-41 of the 2025 AEV Annual Integrated Report, and other social metrics, indicators, and programs of AboitizPower are also available on the AboitizPower website at <https://aboitizpower.com/sustainability/social>

A discussion of the Aboitiz Group's management approaches, talent analytics, and initiatives for social indicators appears on pages 39-41 of the 2025 AEV Annual Integrated Report.

Our Corporate Social Responsibility approaches and performance are reported on pages 16 and 27 of the 2025 AEV Annual Integrated Report, or read more from the Aboitiz Foundation, Inc. webpage: <https://aboitiz.com/our-businesses/aboitiz-foundation#>

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ⁵	5,160	#
a. Number of female employees	1,639	#
b. Number of male employees	3,521	#
Attrition rate ⁶ / Total Turnover Rate	13.1	%
Ratio of lowest-paid employee against the minimum wage	no data	ratio

⁵ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

⁶ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	100%	100%
PhilHealth	Y	100%	100%
Pag-ibig	Y	100%	100%
Parental leaves Maternity and Paternity leaves	Y	2.5%	0.62%
Vacation leaves	Y	100%	100%
Sick leaves	Y	100%	100%
Birthday leave	Y	100%	100%
Medical benefits (aside from PhilHealth)	Y	100%	100%
Housing assistance (aside from Pag-ibig)	N	no available data	no available data
Calamity Assistance	Y	100%	100%
Retirement fund (aside from SSS)	Y	100%	100%
Further education support	Y	100%	100%
Company stock options Percentage accounts for executives only	Y	8.05%	4.97%
Telecommuting / Work From Home Percentage does not account for O&M employees	Y	75.59%	43.51%
Flexible-working Hours Percentage does not account for O&M employees	Y	75.59%	43.51%

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)	What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or

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Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	33,655	hours
b. Male employees	94,135	hours
Average training hours provided to employees		
a. Female employees	21	hours/employee
b. Male employees	27	hours/employee
Total Learning Hours	127,789	hrs
Ave. Hours/FTE	25	hrs/FTE

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	6.8%	%
Number of consultations conducted with employees concerning employee-related policies	no available data	#

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	31.76	%
% of male workers in the workforce	68.24	%
Number of employees from indigenous communities and/or vulnerable sectors*	63 (Differently-abled and solo parents)	#

*NOTE: Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

[Table answers to be referred to 2025 AEV Annual Integrated Report]

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Workplace Conditions, Labor Standards, and Human Rights
Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	34,157,351	Man-hours
No. of work-related injuries - employee and contractor	10	#
No. of work-related fatalities - employees)	3	#
No. of work-related fatalities - contractors)	3	#
No. of work-related ill-health	0	#
No. of safety drills (both employees and contractors)	359	#

[Table answers to be referred to 2025 AEV Annual Integrated Report]

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Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite the reference in the company policy
Forced labor	Y	We have a human rights commitment on our website. See the section on Respecting Human Rights at https://aboitizpower.com/sustainability/social/
Child labor	Y	
Human Rights	Y	

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	

Supply Chain Management

Our disclosure relevant to Supply Chain Management is on page 43 of the 2025 AEV Annual Integrated Report.

AboitizPower ensures that it partners with suppliers who can deliver their products or services as required, prioritize sustainability, and implement sustainable business practices. The company has a Supplier Code of Conduct, which aims to align our company values with those of our suppliers and to strengthen our suppliers' standards for doing business with the company. This also ensures that all of its suppliers will uphold and share the same values and sustainability principles when doing business with the Company, and adhere to our compliance, ethical, social, labor, environmental, and quality standards and requirements.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite the reference in the supplier policy
Environmental performance	Y	The company conducts accreditation through an Ocular Inspection Team comprised of the following: 1. Supply Chain Management representative 2. Health, Safety, Environment (HSE) representative 3. Risk representative 4. Authorized technical representative/s
Forced labor	Y	
Child labor	Y	
Human rights	Y	
Bribery and corruption	Y	See also the Safety Banding Assessment, which ensures that potential and current suppliers are evaluated based on their adherence to Safety, Health, and Environmental (SHE) practices and the accuracy of the information they provide. Read more in our SCM section: https://abotizpower.com/sustainability/governance#supplyChainManagement

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)	What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?

Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	
What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	

Relationship with Community

Significant Impacts on Local Communities

Our disclosures relevant to the Relationship with the Community, Customer Management, Customer Privacy, and Data Security can be found on pages 30, 33, and 35 of the 2025 AEV Annual Integrated Report. Our CSR Programs are discussed on page 27 of the 2025 AEV Annual Integrated Report.

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
no available data	no available data	no available data	no available data	no available data	no available data

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____

Certificates	Quantity	Units
FPIC process is still undergoing	no available data	#
CP secured	no available data	#

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization	
What are the Opportunity/is Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction for Distribution Utilities	85%	N
Customer satisfaction for Retail Business	91%	N

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?
What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	no available data	#
No. of complaints addressed	no available data	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms, as well as complaints that were lodged to and acted upon by government agencies.*

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?
What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	no available data	#
No. of complaints addressed	no available data	#

*NOTE: Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms, as well as complaints that were lodged to and acted upon by government agencies.

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?
What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	

Customer Privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	no available data	#
No. of complaints addressed	no available data	#
No. of customers, users, and account holders whose information is used for secondary purposes	no available data	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms and complaints that were lodged to and acted upon by government agencies.*

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?
What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts, and losses of data	0	#

[Table answers to be referred to 2025 AEV Annual Integrated Report]

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?

What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and their contribution to sustainable development.

We align our key performance indicators with the United Nations Sustainable Development Goals (SDGs). These highlight our contributions to poverty reduction, education, climate change, responsible consumption, disaster preparedness, technological innovation, and institutional partnership to achieve these shared targets.

Our disclosures on our programs and initiatives aligned with the SDGs are found in our Aboitiz Sustainability Microsite <https://sustainability.aboitiz.com/sdg-journey/>

Our Businesses	Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Power	Power Generation & Distribution Service	SDG 7 • Ample and reliable power supply • Reasonable and competitive price • Availability of the right mix of energy supply	Potential negative impacts of the carbon footprint on SDG 13, 14, and 15	Managing the Carbon footprint of our operations through compliance with regulatory standards and minimizing it by promoting Carbon sequestration and biodiversity programs



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 / messages@sec.gov.ph



The following document has been received:

Receiving: ICTD ERMD

Receipt Date and Time: March 31, 2026 03:09:20 PM

Company Information

SEC Registration No.: C199800134

Company Name: ABOITIZ POWER CORPORATION

Industry Classification: E40100

Company Type: Stock Corporation

Document Information

Document ID: OST103312026811148461

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2025

Submission Type: Parent

Remarks: None

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

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1 message

eafs@bir.gov.ph <eafs@bir.gov.ph>

Tue, Mar 31, 2026 at 2:58 PM

To: ap.tax@aboitizpower.com

Cc: AP200652460@gmail.com

Hi ABOITIZ POWER CORPORATION,

Valid files

- EAFS200652460ITRTY122025.pdf
- EAFS200652460AFSTY122025.pdf
- EAFS200652460TCRTY122025-01.pdf
- EAFS200652460OTHTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-9E8LLBG90MVRNVV3PM3S4ZY3Z0M232Y1ZP**Submission Date/Time: **Mar 31, 2026 02:58 PM**Company TIN: **200-652-460**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C 1 9 9 8 0 0 1 3 4

COMPANY NAME

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

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

1 1 F & 1 2 F A Y A L A T R I A N G L E
G A R D E N S T O W E R 2 P A S E O D E R O X A S
C O R N E R M A K A T I A V E N U E B E L - A I R
1 2 0 9 C I T Y O F M A K A T I

Form Type

A P F S

Department requiring the report

C R M D

Secondary License Type, If
Applicable

N / A

COMPANY INFORMATION

Company's Email Address

ap_boardsecretariat@aboitizpower.com

Company's Telephone Number

Not Available

Mobile Number

09171625037

No. of Stockholders

597

Annual Meeting (Month / Day)

April 27

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Ma. Racquel J. Bustamante

Email Address

racquel.bustamante@aboitizpower.com

Telephone Number/s

(02) 8886-2800

Mobile Number

Not Available

CONTACT PERSON'S ADDRESS

11F and 12F Ayala Triangle Gardens Tower 2, Paseo de Roxas cor Makati Avenue, Makati City, 1226 Metro Manila

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.

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 of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.





ABOITIZ POWER CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Aboitiz Power Corporation** is responsible for the preparation and fair presentation of the parent financial statements including the schedules attached therein, for the years ended **December 31, 2025, 2024 and 2023**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

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

A black rectangular box redacting the signature of Sabin M. Aboitiz.

SABIN M. ABOITIZ
Chairman of the Board

A black rectangular box redacting the signature of Daniel C. Aboitiz.

DANIEL C. ABOITIZ
President & Chief Executive Officer

A black rectangular box redacting the signature of Juan Alejandro A. Aboitiz.

JUAN ALEJANDRO A. ABOITIZ
Senior Vice President /Chief Financial Officer/Corporate Information Officer

Signed this
5th day of March 2026

Republic of the Philippines)
MAKATI CITY) S.S.

Before me, a notary public in and for the city named above, personally appeared:

Name	Passport	Date/Place Issued
SABIN M. ABOITIZ	[REDACTED]	[REDACTED]
DANEL C. ABOITIZ	[REDACTED]	[REDACTED]
JUAN ALEJANDRO A. ABOITIZ	[REDACTED]	[REDACTED]

who are personally known to me and to me known to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this 26 March 2026.

Doc. No. 332 ;
Page No. 76 ;
Book No. VI ;
Series of 2026



ATTY. DANIELLE SOPHIA B. GARDUÑO
Notary Public for Makati City
Notarial Commission No: M-489 (2025-2026)
Until December 31, 2026
Ayala Triangle Gardens Tower 2, Paseo De Roxas
corner Makati Avenue, Makati City
Roll No: 81084, Admitted to the Bar 21 May 2022
PTR No: MKT10768275, 05 January 2028, Makati City
IBP No: 572602, 26 December 2025, Makati Chapter
MCLE Compliance No: VIII-0038885

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Aboitiz Power Corporation
Ayala Triangle Gardens Tower 2,
Paseo de Roxas corner, Makati Avenue,
Makati City, 1226 Metro Manila, Philippines

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Aboitiz Power Corporation (the Company), which comprise the parent company balance sheets as at December 31, 2025 and 2024, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of financial statements of public interest entities 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.



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

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

In preparing the parent company 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.

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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 PSAs 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 parent company financial statements.

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

- Identify and assess the risks of material misstatement of the parent company 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 21 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of the Company. The information has been subjected to the auditing procedures applied in our audit of the parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



The engagement partner on the audit resulting in this independent auditor's report is
Jhoanna Feliza C. Go

SYCIP GORRES VELAYO & CO.

Jhoanna Feliza C. Go

Partner

CPA Certificate No. [REDACTED]

Tax Identification No. [REDACTED]

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-103-2025, October 1, 2025, valid until September 30, 2028

PTR No. 10765055, January 2, 2026, Makati City

March 5, 2026



ABOITIZ POWER CORPORATION
PARENT COMPANY BALANCE SHEETS

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱2,423,306,484	₱9,978,716,980
Trade and other receivables (Note 5)	159,828,908	410,234,232
Derivative asset (Note 18)	–	64,366,949
Total Current Assets	2,583,135,392	10,453,318,161
Noncurrent Assets		
Investments and deposits (Note 6)	151,183,931,747	109,437,369,224
Project development costs (Note 9)	427,266,644	403,011,070
Property and equipment (Note 7)	1,274,758,463	1,109,645,357
Other noncurrent assets (Note 8)	1,822,376,227	1,682,380,914
Total Noncurrent Assets	154,708,333,081	112,632,406,565
TOTAL ASSETS	₱157,291,468,473	₱123,085,724,726
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Note 11)	₱24,500,000,000	₱–
Current portion of long-term debts (Note 11)	12,776,912,810	5,379,597,149
Trade and other payables (Note 10)	2,142,479,118	876,328,293
Advances from related party (Note 16)	2,000,000,000	6,000,000,000
Current portion of lease liabilities (Note 19)	79,752,402	19,883,034
Derivative liability (Note 18)	–	160,976,360
Total Current Liabilities	41,499,144,330	12,436,784,836
Noncurrent Liabilities		
Long-term debts (Note 11)	62,898,004,437	48,410,783,281
Lease liabilities - net of current portion (Note 19)	828,827,479	905,523,579
Pension liability (Note 14)	–	216,738,665
Total Noncurrent Liabilities	63,726,831,916	49,533,045,525
Total Liabilities	105,225,976,246	61,969,830,361
Equity		
Capital stock (Note 12a)	7,358,604,307	7,358,604,307
Additional paid-in capital (Note 12a)	12,588,894,332	12,588,894,332
Actuarial losses on defined benefit plan (Note 14)	(370,064,902)	(463,540,218)
Cash flow hedge reserve	–	(96,609,411)
Retained earnings (Note 12b)		
Appropriated	11,900,000,000	11,900,000,000
Unappropriated	25,479,889,681	34,720,376,546
Treasury shares at cost (Note 12d)	(4,891,831,191)	(4,891,831,191)
Total Equity	52,065,492,227	61,115,894,365
TOTAL LIABILITIES AND EQUITY	₱157,291,468,473	₱123,085,724,726

See accompanying Notes to Parent Company Financial Statements.



ABOITIZ POWER CORPORATION
PARENT COMPANY STATEMENTS OF INCOME

	Years Ended December 31		
	2025	2024	2023
REVENUE			
Dividends (Note 16)	₱17,433,179,607	₱24,393,146,417	₱15,540,588,115
Technical, management and other service fees (Note 16)	1,636,197,339	1,536,879,442	2,066,241,941
Interest income (Notes 4 and 16)	238,704,684	138,218,357	121,705,165
	19,308,081,630	26,068,244,216	17,728,535,221
GENERAL AND ADMINISTRATIVE EXPENSES			
Interest and other financing charges (Notes 11, 16, 17 and 19)	5,894,014,580	3,212,629,905	2,765,247,456
Personnel (Note 13)	2,877,836,983	1,751,242,406	2,342,303,287
Service fees (Note 16)	389,742,256	326,150,837	367,936,959
Depreciation and amortization (Notes 7 and 8)	246,337,146	176,665,053	93,391,624
Communication	162,595,230	225,608,852	168,235,237
Transportation and travel (Note 16)	140,919,537	127,401,372	276,159,650
Advertising and sponsorships	90,248,248	102,373,847	54,524,455
Taxes and licenses	86,766,120	111,976,665	21,680,189
Professional fees (Note 16)	84,272,668	79,150,304	101,768,232
Entertainment, amusement and recreation	56,492,799	56,432,579	41,766,820
Rent (Note 19)	22,664,046	7,406,002	3,704,750
Training	20,186,508	15,494,523	37,799,758
Office supplies	7,706,571	5,052,519	6,159,773
Light and water	5,317,916	1,754,013	1,526,417
Repairs and maintenance	5,074,053	4,781,587	5,518,237
Others	79,609,448	74,263,716	60,158,279
	10,169,784,109	6,278,384,180	6,347,881,123
OTHER INCOME (CHARGES) - net			
Provision for impairment of investment in subsidiaries (Note 6)	(1,224,693,810)	-	-
Write-off of project development costs and software licenses (Notes 8 and 9)	(100,284,295)	(248,494,617)	(185,811,210)
Foreign exchange gains (loss) (Note 17)	(4,322,082)	90,401,483	(19,862,686)
Others (Note 11)	(95,810,213)	(26,583,965)	104,171,262
	(1,425,110,400)	(184,677,099)	(101,502,634)
INCOME BEFORE INCOME TAX	7,713,187,121	19,605,182,937	11,279,151,464
PROVISION FOR INCOME TAX (Note 15)	19,916,365	23,766,505	31,679,678
NET INCOME	₱7,693,270,756	₱19,581,416,432	₱11,247,471,786
EARNINGS PER COMMON SHARE (Note 12c)			
Basic and diluted, for net income for the year	₱1.07	₱2.72	₱1.54

See accompanying Notes to Parent Company Financial Statements.



ABOITIZ POWER CORPORATION**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2025	2024	2023
NET INCOME	₱7,693,270,756	₱19,581,416,432	₱11,247,471,786
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Actuarial gains on defined benefit plans (Note 14)	93,475,316	186,565,505	7,998,878
<i>Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:</i>			
Changes in fair value of cash flow hedge (Note 18)	96,609,411	(96,609,411)	—
Total other comprehensive income (loss) for the year, net of tax	190,084,727	89,956,094	7,998,878
TOTAL COMPREHENSIVE INCOME	₱7,883,355,483	₱19,671,372,526	₱11,255,470,664

See accompanying Notes to Parent Company Financial Statements.



ABOITIZ POWER CORPORATION

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	Capital Stock (Note 12a)	Additional Paid-In Capital (Note 12a)	Cash Flow Hedge Reserve (Note 18)	Actuarial Losses on Defined Benefit Plan	Retained Earnings (Note 12b)		Treasury Shares (Note 12d)	Total
					Appropriated	Unappropriated		
Balances at January 1, 2025	₱7,358,604,307	₱12,588,894,332	(₱96,609,411)	(₱463,540,218)	₱11,900,000,000	₱34,720,376,546	(₱4,891,831,191)	₱61,115,894,365
Net income for the year	—	—	—	—	—	7,693,270,756	—	7,693,270,756
Other comprehensive income	—	—	96,609,411	93,475,316	—	—	—	190,084,727
Total comprehensive income	—	—	96,609,411	93,475,316	—	7,693,270,756	—	7,883,355,483
Cash dividends (Note 12)	—	—	—	—	—	(16,933,757,621)	—	(16,933,757,621)
Balances at December 31, 2025	₱7,358,604,307	₱12,588,894,332	₱—	(₱370,064,902)	₱11,900,000,000	₱25,479,889,681	(₱4,891,831,191)	₱52,065,492,227

	Capital Stock (Note 12a)	Additional Paid-In Capital (Note 12a)	Cash Flow Hedge Reserve (Note 18)	Actuarial Losses on Defined Benefit Plan	Retained Earnings (Note 12b)		Treasury Shares (Note 12d)	Total
					Appropriated	Unappropriated		
Balances at January 1, 2024	₱7,358,604,307	₱12,588,894,332	₱—	(₱650,105,723)	₱11,900,000,000	₱31,712,425,020	(₱4,891,831,191)	₱58,017,986,745
Net income for the year	—	—	—	—	—	19,581,416,432	—	19,581,416,432
Other comprehensive income (loss)	—	—	(96,609,411)	186,565,505	—	—	—	89,956,094
Total comprehensive income (loss)	—	—	(96,609,411)	186,565,505	—	19,581,416,432	—	19,671,372,526
Cash dividends (Note 12)	—	—	—	—	—	(16,573,464,906)	—	(16,573,464,906)
Balances at December 31, 2024	₱7,358,604,307	₱12,588,894,332	(₱96,609,411)	(₱463,540,218)	₱11,900,000,000	₱34,720,376,546	(₱4,891,831,191)	₱61,115,894,365



	Capital Stock (Note 12a)	Additional Paid-In Capital (Note 12a)	Cash Flow Hedge Reserve (Note 18)	Actuarial Losses on Defined Benefit Plan	Retained Earnings (Note 12b)		Treasury Shares (Note 12d)	Total
					Appropriated	Unappropriated		
Balances at January 1, 2023	₱7,358,604,307	₱12,588,894,332	₱—	(₱658,104,601)	₱20,060,000,000	₱26,065,543,288	₱—	₱65,414,937,326
Net income for the year	—	—	—	—	—	11,247,471,786	—	11,247,471,786
Other comprehensive loss	—	—	—	7,998,878	—	—	—	7,998,878
Total comprehensive income (loss)	—	—	—	7,998,878	—	11,247,471,786	—	11,255,470,664
Cash Dividends (Note 12)	—	—	—	—	—	(13,760,590,054)	—	(13,760,590,054)
Reversal of appropriation (Note 12b)	—	—	—	—	(8,160,000,000)	8,160,000,000	—	—
Acquisition of treasury shares	—	—	—	—	—	—	(4,891,831,191)	(4,891,831,191)
Balances at December 31, 2023	₱7,358,604,307	₱12,588,894,332	₱—	(₱650,105,723)	₱11,900,000,000	₱31,712,425,020	(₱4,891,831,191)	₱58,017,986,745

See accompanying Notes to Parent Company Financial Statements.



ABOITIZ POWER CORPORATION
PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱7,713,187,121	₱19,605,182,937	₱11,279,151,464
Adjustments for:			
Dividend Income	(17,433,179,607)	(24,393,146,417)	(15,540,588,115)
Interest and other financing charges (Notes 11, 16, 17 and 19)	5,894,014,580	3,212,629,905	2,765,247,456
Provision for impairment of investment in subsidiaries (Note 6)	1,224,693,809	—	—
Depreciation and amortization (Notes 7 and 8)	246,337,146	176,665,053	93,391,624
Pension expense (Note 14)	101,667,336	126,503,833	128,597,805
Write-off of project development costs and software licenses (Notes 8 and 9)	100,284,295	248,494,617	185,811,210
Loss on lease termination (Note 19)	4,531,436	—	—
Interest income (Notes 4 and 16e)	(238,704,685)	(138,218,357)	(121,705,165)
Unrealized foreign exchange losses (gain) (Note 17)	(4,748,839)	(32,494,669)	17,219,991
Loss (gain) on disposal of property and equipment (Note 7)	3,064,101	57,226,166	(5,167,859)
Operating income before working capital changes	(2,388,853,307)	(1,137,156,932)	(1,198,041,589)
Decrease (increase) in:			
Trade and other receivables	194,198,013	(63,057,082)	(216,292,505)
Prepayments and other current assets	614,682	2,522,876	(82,741,488)
Increase (decrease) in trade and other payables	916,405,568	(368,710,177)	236,559,603
Contributions to retirement fund (Note 14)	(225,472,185)	(121,433,028)	(147,999,656)
Net cash generated from operations	(1,503,107,229)	(1,687,834,343)	(1,408,515,635)
Dividend received	17,435,279,310	24,585,781,156	15,554,807,440
Income taxes paid - net	(162,400,355)	(167,600,649)	(227,188,019)
Net cash flows from operating activities	15,769,771,726	22,730,346,164	13,919,103,786
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Interest received	292,812,293	94,324,332	138,889,058
Payments of recoverable deposits	(8,504,370)	(6,331,540)	(7,678,600)
Proceeds from:			
Redemption of preferred shares (Note 6)	27,382,759	6,940,000	3,577,116,577
Disposal of property and equipment (Note 7)	4,574,589	13,847,373	10,395,601
Disposal of project development costs and software licenses	70,354,534	384,194,583	—
Advances to subsidiaries and associates	—	31,367,121	5,243,356,840
Additions to:			
Investments and deposits (Note 6)	(42,998,639,092)	(1,508,725,000)	(2,250,838,271)
Project development costs (Note 9)	(186,325,155)	(233,742,924)	(475,449,823)
Property and equipment (Note 7)	(335,598,962)	(78,359,709)	(227,411,230)
Computer software license (Note 8)	(82,976,302)	(135,617,199)	(6,360,822)
Net cash flows from (used in) investing activities	(43,216,919,706)	(1,432,102,963)	6,002,019,330
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (Note 20)			
Proceeds from:			
Long-term debt (Note 11)	30,000,000,000	—	—
Availment of short-term loan (Note 11)	24,500,000,000	—	—
Advances from a related party	5,789,023,031	9,000,000,000	—
Payments of:			
Cash dividends (Note 12b)	(16,933,257,980)	(16,572,205,020)	(13,760,113,135)
Advances from a related party	(9,789,023,031)	(3,000,000,000)	—
Interest and other financing charges	(5,341,429,873)	(2,896,294,541)	(2,720,208,360)
Long-term debt	(7,900,000,000)	(50,000,000)	(50,000,000)
Transaction costs from availment of long-term debt	(362,487,948)	—	—
Lease liability, including interest accretion (Note 19)	(75,835,552)	(24,536,953)	(25,664,801)
Acquisition of treasury shares	—	—	(4,891,831,191)
Net cash flows from (used in) financing activities	19,886,988,647	(13,543,036,514)	(21,447,817,487)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,560,159,333)	7,755,206,687	(1,526,694,371)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	4,748,837	32,494,669	(17,219,986)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	9,978,716,980	2,191,015,624	3,734,929,981
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱2,423,306,484	₱9,978,716,980	₱2,191,015,624

See accompanying Notes to Parent Company Financial Statements.



ABOITIZ POWER CORPORATION

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

Aboitiz Power Corporation (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission on February 13, 1998. The Company is a publicly-listed holding company of the entities engaged in power generation and power distribution in the Aboitiz Group.

As of December 31, 2024, Aboitiz Equity Ventures, Inc. (AEV; also a publicly-listed entity incorporated in the Philippines) and JERA Asia Private Limited own the Company by 53.09% and 27.57%, respectively. The Company's ultimate parent is ACO.

The Company's registered office address is 11F and 12F Ayala Triangle Gardens Tower 2, Paseo de Roxas cor Makati Avenue Bel-Air 1209 City of Makati NCR Second District Philippines.

The parent company financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) of the Company on March 5, 2026.

2. Basis of Preparation, Statement of Compliance and Summary of Significant Accounting Policies

Basis of Financial Statement Preparation

The parent company financial statements have been prepared on a historical cost basis, except for derivative financial instruments which are measured at fair value. The parent company financial statements are presented in Philippine peso which is the Company's functional currency.

Statement of Compliance

The parent company financial statements are prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of this new standard did not have an impact on the parent company financial statements of the Company.

- **Amendments to Philippine Accounting Standards (PAS) 21, *Lack of exchangeability***

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.



Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its parent company financial statements. The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.



The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- Annual Improvements to PFRS Accounting Standards—Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.
- Amendments to PFRS 7, *Gain or Loss on Derecognition*
The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.
- Amendments to PFRS 9
 - a) *Lessee Derecognition of Lease Liabilities*
The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.
 - b) *Transaction Price*
The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.
- Amendments to PAS 7, *Cost Method*
The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.



Effective beginning on or after January 1, 2027

- *PFRS 17, Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the Financial and Sustainability Reporting Standards Council (FSRSC) amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

- *PFRS 18, Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

- *PFRS 19, Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities.



- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*
The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. Significant Accounting Judgment, Estimates and Assumptions

The preparation of parent company financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and related notes. The judgment, estimates and assumptions used in the parent company financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of parent company financial statements. Actual results could differ from such estimates. Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following items are those matters which the Company assess to have significant risk arising from judgement and estimation uncertainty:

Judgments

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

Classification of financial instruments

The Company exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definition of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the parent company balance sheet.



Identifying performance obligations

The Company identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Company's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

The Company assesses performance obligations as a series of distinct goods and services that are substantially the same and have the same pattern of transfer if i) each distinct good or services in the series are transferred over time and ii) the same method of progress will be used (i.e., units of delivery) to measure the entity's progress towards complete satisfaction of the performance obligation.

Revenue recognition

The Company recognizes revenue when it satisfies an identified performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. The Company determines, at contract inception, whether it will transfer control of a promised good or service over time. If the Company does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

The Company will continue to recognize revenue from rendering of services over time, since customers simultaneously receive and consume the benefits as the Company provides the services.

Identifying methods for measuring progress of revenue recognized over time

The Company determines the appropriate method of measuring progress which is either through the use of input or output methods. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation while output method recognizes revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date.

Estimates and assumptions

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

Measurement of expected credit losses

ECLs are derived from unbiased and probability-weighted estimates of expected loss. Financial assets that are not credit-impaired at the balance sheet date are measured as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The Company leverages existing risk management indicators (e.g., internal credit risk classification and restructuring triggers), credit risk rating changes and reasonable and supportable information which allow the Company to identify whether the credit risk of financial assets has significantly increased.



No allowance for expected credit losses was recognized in 2025 and 2024. Trade and other receivables amounted to ₱159.8 million and ₱410.2 million as of December 31, 2025 and 2024, respectively (see Note 5).

Inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), defined as follows:

- *PD*

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining life of the obligation. PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures. The 12-month and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instrument, respectively, based on conditions existing at the balance sheet date and future economic conditions that affect credit risk.

- *LGD*

Loss Given Default represents the Company's expectation of the extent of loss on a defaulted exposure, taking into account the mitigating effect of collateral, its expected value when realized and the time value of money. LGD varies by type of counterparty, type of seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD.

- *EAD*

EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e., the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the balance sheet date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.



The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by counterparty.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies.

The assumptions underlying the ECL calculation such as how the maturity profile of the PDs change are monitored and reviewed on a quarterly basis.

Simplified approach for trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the industrial segment, the historical default rates are adjusted. At every balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Incorporation of forward-looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The Company has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.



The Company has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

Estimating allowance for impairment of losses on investments and deposits

Investments and deposits are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss amounting to ₱1.2 billion was recognized in 2025 and nil in 2024. The aggregate carrying amount of the investments and deposits amounted to ₱151.18 billion and ₱109.44 billion as of December 31, 2025 and 2024, respectively (see Note 6).

Estimating impairment of project development costs

Impairment is determined for development costs by assessing the recoverable amount of each projects. Where the recoverable amount of the project is less than the carrying amount, an impairment loss is recognized. When calculating recoverable amount, the future cash flow is discounted by a discount factor that takes into consideration risk free interest and the risk associated with the specific project.

The Company has written off project development costs and software licenses amounting to ₱100.28 million and ₱248.49 million in 2025 and 2024, respectively. The carrying amount of the Company's project development costs and software licenses amounted to ₱817.35 million and ₱804.63 million as of December 31, 2025 and 2024, respectively (see Note 8 and 9).

Estimating useful lives of property and equipment

The Company estimates the useful lives of property and equipment based on the period over which assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, the estimation of the useful lives of property and equipment is based on collective assessment of internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors and circumstances mentioned above. As of December 31, 2025 and 2024, the net book values of property and equipment amounted to ₱1.27 billion and ₱1.11 billion, respectively (see Note 7).

Assessing impairment of nonfinancial assets

The Company assesses whether there are any indicators of impairment for nonfinancial assets at each balance sheet date. These nonfinancial assets (property and equipment, input VAT and noncurrent assets) are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Determining the recoverable amount of the assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect its financial statements. Future events could cause the Company to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.



As of December 31, 2025, the carrying values of property and equipment, and noncurrent assets amounted to ₱1.27 billion and ₱1.82 billion, respectively. As of December 31, 2024, the carrying values of property and equipment, and noncurrent assets amounted to ₱1.11 billion and ₱1.68 billion, respectively (see Notes 7 and 8).

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure its lease liability. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates. As of December 31, 2025 and 2024, lease liability amounted to ₱908.60 million and ₱925.40 million, respectively (see Note 19).

Pension benefits

The cost of defined benefit pension plans, as well as the present value of the pension obligation, are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each balance sheet date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

Further details about the assumptions used are provided in Note 14.

Net benefit expense amounted to ₱101.7 million in 2025, ₱126.5 million in 2024 and ₱128.6 million in 2023. Net pension asset amounted to ₱0.5 million in 2025 and net pension liability amounted to ₱216.7 million in 2024 (see Note 14).

Recognition of deferred income tax assets

The Company reviews the carrying amounts of deferred income tax assets at each balance sheet date and reduces deferred income tax assets to the extent that it is no longer probable that sufficient income will be available to allow all or part of the deferred income tax assets to be utilized. Deferred income tax asset amounted to ₱311.3 million and ₱247.4 million as of December 31, 2025 and 2024, respectively (see Note 15).

No deferred income tax assets were recognized for deductible temporary difference and carryforward benefit from unused NOLCO and excess MCIT as disclosed in Note 15.



Legal contingencies

The estimate of probable costs for the resolution of possible claims has been developed in consultation with outside counsels handling the Company's defense in these matters and is based upon an analysis of potential results. No provision for probable losses arising from legal contingencies was recognized in the parent company financial statements for the years ended December 31, 2025 and 2024.

Material Accounting Policy Information

Current versus Noncurrent Classification

The Company presents assets and liabilities in the parent company balance sheet based on current/noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for a least twelve months after reporting period

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as noncurrent.

Deferred income tax assets and liabilities are classified as non-current assets and liabilities.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



A fair value measurement of a non-financial asset takes into account market participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the parent company financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the parent company financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Foreign Currency Translation

The Company's financial statements are presented in Philippine Peso, which is the Company's functional currency. Transactions in foreign currencies are recorded using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the rate of exchange at balance sheet date. Exchange gains and losses arising from foreign currency transactions and translations of foreign currency denominated monetary assets and liabilities are credited to or charged against current operations. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Cash and Cash Equivalents

Cash and cash equivalents in the parent company balance sheet consist of cash on hand and with banks, and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. They are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purpose of the parent company statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.



Financial Instruments - Classification and Measurement

Classification of financial assets

Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and the Company's business model for managing the financial assets. The Company classifies its financial assets into the following measurement categories:

- financial assets measured at amortized cost
- financial assets measured at fair value through profit or loss (FVTPL)
- financial assets measured at fair value through other comprehensive income (FVOCI), where cumulative gains or losses previously recognized are reclassified to profit or loss
- financial assets measured at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss

Contractual cash flows characteristics

If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Company assesses whether the cash flows from the financial asset represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

In making this assessment, the Company determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e, interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to a contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model

The Company's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument.

The Company's business model refers to how it manages its financial assets in order to generate cash flows. The Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Company in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.



Financial assets at amortized cost

A financial asset is measured at amortized cost if (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest method. The amortization is included in 'Interest income' in the statement of income and is calculated by applying the effective interest method to the gross carrying amount of the financial asset, except for (i) purchased or originated credit-impaired financial assets and (ii) financial assets that have subsequently become credit-impaired, where, in both cases, the effective interest method is applied to the amortized cost of the financial asset. Losses arising from impairment are recognized in 'Provision for credit and impairment losses' in the parent company statement of income.

The Company's financial assets at amortized cost as of December 31, 2025 and 2024 consist of cash in banks, cash equivalents and trade and other receivables (see Note 19). The Company assessed that the contractual cash flows of these financial assets are SPPI and are expected to be held to collect all contractual cash flows until their maturity. As a result, the Company concluded these financial assets are to be measured at amortized cost.

Classification of financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are measured subsequently at amortized cost, except for the following:

- financial liabilities measured at FVTPL;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Company retains continuing involvement;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in accordance with PFRS 3.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

- if a host contract contains one or more embedded derivatives; or
- if the Company's financial liabilities or financial assets and liabilities are managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.



The Company's financial liabilities measured at amortized cost as of December 31, 2025 and 2024 which comprise of trade and other payables, advances from related party, short-term loans, long-term debts and lease liabilities (see Note 17).

Reclassifications of financial instruments

The Company reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the Company and any previously recognized gains, losses or interest shall not be restated. The Company does not reclassify its financial liabilities.

The Company does not reclassify its financial assets when:

- A financial asset that was previously a designated and effective hedging instrument in a cash flow hedge or net investment hedge no longer qualifies as such;
- A financial asset becomes a designated and effective hedging instrument in a cash flow hedge or net investment hedge; and
- There is a change in measurement on credit exposures measured at fair value through profit or loss.

Derivative financial instruments

Initial recognition and subsequent measurement

Derivative financial instruments, including embedded derivatives, are initially recognized at fair value on the date in which a derivative transaction is entered into or bifurcated, and are subsequently remeasured at FVTPL, unless designated as effective hedge. Changes in fair value of derivative instruments not accounted as hedges are recognized immediately in the parent company statement of income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The Company assesses whether embedded derivatives are required to be separated from host contracts when the Company first becomes party to the contract. An embedded derivative is separated from the host financial or non-financial contract and accounted for as a separate derivative if all of the following conditions are met:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid or combined instrument is not recognized as at FVPL.

Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Embedded derivatives that are bifurcated from the host contracts are accounted for either as financial assets or financial liabilities at FVPL. The Company uses derivative financial instruments, such as foreign currency forward and interest rate swaps (IRS) to hedge its foreign currency risks and interest rate risk, respectively.



For the purpose of hedge accounting, the Company's hedge is classified as cash flow hedges. Hedges are classified as cash flow hedge when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

The Company's hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is recognized in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the parent company statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses foreign currency forward contracts as hedges of its exposure to foreign currency risk in forecast transactions and IRS contracts to manage its floating interest rate exposure on its loans. The ineffective portion relating to these contracts is recognized in other operating income or expenses as realized gain or loss on derivative instruments.

The Company designated all of the foreign currency forward and IRS as hedging instrument. The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.



For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive must be accounted for depending on the nature of the underlying transaction as described above.

Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognized when, and only when:

- the rights to receive cash flows from the asset expires;
- the Company 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 Company has transferred its rights 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 Company retains the contractual rights to receive the cash flows of a financial asset but assumes a contractual obligation to pay those cash flows to one or more entities, the Company treats the transaction as a transfer of a financial asset if the Company:

- has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset;
- is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and
- has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In transactions where the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and it retains control over the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. The extent of the Company's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset. When the Company's continuing involvement takes the form of guaranteeing the transferred asset, the extent of the Company's continuing involvement is the lower of (i) the amount of the asset and (ii) the maximum amount of the consideration received that the Company could be required to repay ('the guarantee amount'). When the Company's continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase. However, in the case of a written put option on an asset that is measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price. When the Company's continuing involvement takes the form of a cash-settled option or



similar provision on the transferred asset, the extent of the Company's continuing involvement is measured in the same way as that which results from non-cash settled options.

Modification of contractual cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original effective interest method (or credit-adjusted effective interest method for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the parent company statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset.

Financial liabilities

A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability or a part of it are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the parent company statement of income.

Impairment of Financial Assets

The Company recognizes ECL for the following financial assets that are not measured at FVTPL:

- debt instruments that are measured at amortized cost and FVOCI;
- loan commitments; and
- financial guarantee contracts.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the balance sheet date about past events, current conditions and forecasts of future economic conditions.

Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

Stage 1: 12-month ECL

For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the balance sheet date are recognized.



Stage 2: Lifetime ECL - not credit-impaired

For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Lifetime ECL - credit-impaired

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

A financial asset is considered to have low credit risk if:

- the financial instrument has a low risk of default
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade', or when the exposure is less than 30 days past due.

Determining the stage for impairment

At each balance sheet date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the balance sheet date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The simplified approach, where changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECL, is applied to 'Trade receivables'. The Company has established a provision matrix for customer segments that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the parent company balance sheet 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 asset and settle the liability simultaneously. This is not generally the case with master netting agreements whereby the related assets and liabilities are presented gross in the parent company balance sheet.



Classification of Financial Instruments 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; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; 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 Company 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.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as income or expense. Distributions to holders of financial instruments classified as equity are charged directly to equity net of any related income tax benefits.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

Investments and deposits

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control over those policies.

Investments and deposits are carried at cost, less impairment in value, in the parent company financial statements.

The Company recognizes income from the investments only to the extent that the Company receives distributions or establishes a right to receive distributions from accumulated profits of the subsidiaries and associates arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

Property and Equipment

Property and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value, if any. The initial cost of property and equipment comprises its purchase price, including import duties, if any, nonrefundable taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing parts of such property and equipment when



that costs is incurred if the recognition criteria are met. Repairs and maintenance costs are recognized in the parent company statement of income as incurred.

Depreciation is computed using the straight-line method over the useful lives of the assets as follows:

Category	Number of years
Transportation equipment	5
Office equipment	3
Communication equipment	3
Leasehold improvements	10

Leasehold improvements are amortized over the shorter of the lease terms and the lives of the improvements.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the parent company statement of income in the year the asset is derecognized.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each financial year-end to ensure that the periods, residual values and method of depreciation are consistent with the expected patten of economic benefit from the items of property and equipment.

When each major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied.

Fully depreciated assets are retained in the accounts until these are no longer in use. When assets are retired or otherwise disposed of, both the cost and related accumulated depreciation and amortization and any allowance for impairment losses, if any, are removed from the accounts, and any resulting gain or loss is credited or charged to current operations.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of the acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the parent company statement of income in the year in which the expenditure is incurred.

Computer software license

Computer software license is initially recognized at cost. Following initial recognition, the computer software license cost is carried at cost less accumulated amortization and any accumulated impairment in value, if any.



The computer software license is amortized on a straight-line basis over its estimated useful economic life of three to five years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization commences when the computer software license is available for use. The amortization period and the amortization method for the license are reviewed at each financial year-end. Changes in the estimated useful life are accounted for by changing the amortization period or method, as appropriate, and treating them as changes in accounting estimates. The amortization expense is recognized in the parent company statement of income in the expense category consistent with the function of the computer software license.

Project Development Costs

Project development costs include power plant projects in the development phase which meet the "identifiability" requirement under PAS 38, *Intangible Assets*, as they are separable and susceptible to individual sale and are carried at acquisition cost. These assets are transferred to "Property and equipment" when construction of each power plant commences. During the period of development, the asset is tested for impairment annually.

Research and Development Expenditure

The Company's policy is to record research expenses in the parent company statement of income in the period when they are incurred.

Development costs are recognized as an intangible asset on the parent company balance sheet if the Company can identify them separately and show the technical viability of the asset, its intention and capacity to use or sell it, and how it will generate probable future economic benefits.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Impairment of Nonfinancial Assets

Project development costs, property and equipment, and other noncurrent assets

Except for the project development costs, which are tested for impairment annually, the Company assesses at each balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value 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 of continuing operations are recognized in the parent company statement of income in those expense categories consistent with the function of the impaired asset.



An assessment is made at each balance sheet date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Investments and deposits

The Company performs impairment review on its investments and deposits whenever an impairment indicator exists. This requires an estimation of the value in use of the investees. Estimating the value in use requires the Company to make an estimate of the future cash flows of the investees and to use a suitable discount rate to calculate the present value of those future cash flows. Impairment losses, if any, are recognized in the parent company statement of income.

Capital Stock and Additional Paid-in Capital

Capital stock is measured at par value for all shares issued. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Capital stock includes common stock and preferred stock.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Company, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are debited to the "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against an equity reserve account.

Retained Earnings

The amount included in retained earnings includes accumulated earnings of the Company and reduced by dividends on capital stock. Dividends on capital stock are recognized as a liability and deducted from equity when they are approved by the BOD. Dividends for the year that are approved after the financial balance sheet date are dealt with as an event after the financial balance sheet date. Retained earnings may also include effect of changes in accounting policy as may be required by the transition provisions of new and amended standards.



Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent.

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

Dividend income

Dividend income is recognized when the Company's right to receive payment is established.

Technical, management and service fees

Technical, management and service fees are recognized when the related services are rendered.

Interest income

Interest is recognized as it accrues taking into account the effective interest method.

Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company's policy to classify right-of-use assets as part of property and equipment. The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets only pertain to office spaces and are depreciated on a straight-line basis over the shorter of the lease term of 16 years and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.



Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of conference rooms (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

Pension benefits

The Company has defined benefit pension plans which require contributions to be made to separately administered funds. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.



Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the parent company statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to parent company statement of income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Borrowing Costs

Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as of the balance sheet date.

Current income tax relating to items recognized directly in equity is recognized in the parent company statement of comprehensive income and not in the parent company statement of income.



Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of unused net operating loss carryover (NOLCO) and excess minimum corporate income tax (MCIT), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of unused NOLCO and excess MCIT can be utilized in the future, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the account profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred income tax asset to be recovered, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply 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 as of the balance sheet date.

Income tax relating to items recognized directly in other comprehensive income is also recognized in other comprehensive income and not in the parent company statement of income.

Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the parent company balance sheet. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the parent company balance sheet to the extent of the recoverable amount.



Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) 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. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the parent company statement of income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, 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 a borrowing cost.

Contingencies

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

Events After the Reporting Period

Post year-end events that provide additional information about the Company's financial position at balance sheet date (adjusting events) are reflected in the parent company financial statements. Post year-end events that are not adjusting events are disclosed when material.

Earnings Per Common Share

Basic earnings per common share are computed by dividing net income for the year by the weighted average number of common shares issued and outstanding during the year, after retroactive adjustments for any stock dividends declared and stock rights exercised during the year.

Diluted earnings per share amounts are calculated by dividing the net income for the year by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares that would be issued for outstanding common stock equivalents. The Company does not have dilutive common stock equivalents.

Operating Segments

For management purposes, the Company is the parent of the Aboitiz Power Corporation Group that is organized into two major operating segments (power generation and power distribution) according to the nature of the services provided, with each segment representing a significant business segment. The Group's identified operating segments are consistent with the segments reported to the BOD which is the Group's Chief Operating Decision Maker (CODM).

4. Cash and Cash Equivalents

	2025	2024
Cash on hand and in banks	₱142,038,508	₱21,442,276
Short-term deposits	2,281,267,976	9,957,274,704
	<u>₱2,423,306,484</u>	<u>₱9,978,716,980</u>



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

Interest income earned from cash in banks and short-term deposits amounted to ₱238.7 million, ₱137.7 million and ₱121.5 million in 2025, 2024 and 2023, respectively.

5. Trade and Other Receivables

	2025	2024
Trade Receivables		
Related parties (Note 16)	₱147,247,789	₱159,362,664
Others	11,293,724	190,849,319
Interest	697,997	54,805,606
Dividends (Note 16)	–	2,099,702
Others	589,398	3,116,941
	₱159,828,908	₱410,234,232

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

For terms and conditions relating to related party receivables, refer to Note 16.

6. Investments and deposits

The details of the Company's investments and deposits follow:

	2025	2024
Investments in Subsidiaries		
Therma Power, Inc. (TPI)	₱30,116,058,873	₱30,116,058,873
Aboitiz Renewables, Inc. (ARI)	25,172,988,814	25,172,988,814
SPI Power Incorporated (SPI)	7,178,184,736	7,178,184,736
Therma Visayas, Inc. (TVI)*	7,118,681,570	7,118,681,570
Lima Enerzone Corporation (LEZ)	1,329,696,667	1,329,696,667
1882 Ventures Incorporated (1882EV)	1,142,600,000	478,500,000
Therma South, Inc. (TSI)*	877,892,679	877,892,679
Therma Mobile, Inc. (TMO)*	742,400,000	742,400,000
Davao Light & Power Co., Inc. (DLP)	738,845,011	738,845,011
Visayan Electric Co., Inc. (VECO)	665,438,202	665,438,202
Mactan Enerzone Corporation (MEZ)	609,532,287	609,532,287
Balamban Enerzone Corporation (BEZ)	444,869,161	444,869,161
Aboitiz Power Distributed Renewables, Inc. (APX2)**	400,400,000	131,000,000
Potentia Insurance PTE. LTD. (PIPL)	315,040,000	315,040,000
Subic Enerzone Corporation (SEZ)	227,000,000	227,000,000
Cotabato Light & Power Co. (CLP)	214,051,330	214,051,330

(Forward)



	2025	2024
Hedcor Sabangan, Inc. (HSAB)**	₱187,643,142	₱187,643,142
AboitizPower International Pte. Ltd. (AP Int.)	171,404,666	171,404,666
Retensol, Inc. (RI)**	135,116,116	135,116,116
Malvar Enerzone Corporation (MVEZ)	110,500,000	110,500,000
East Asia Utilities Corporation (EAUC)	100,914,275	100,914,275
Power Plus Innovation Inc. (PPI)	74,000,000	1,000,000
Tarlac Enerzone Corporation (TEZ)	25,000,000	25,000,000
Adventpower, Inc. (API) (formerly Aboitiz Energy Solutions, Inc.)	21,000,000	21,000,000
Cebu Private Power Corporation (CPPC)	17,806,608	17,806,608
Prism Energy, Inc. (PEI)	12,648,600	12,648,600
Reef Light and Power, Inc. (RLPt)	1,000,000	—
Valley Light and Power, Inc. (VLPI)	1,000,000	—
Coastal Light and Power, Inc. (CLPI)	1,000,000	—
Northern Sine Electric, Inc. (NSEI)	1,000,000	—
Adventenergy, Inc. (AI)	812,500	812,500
Peninsula Energy Corporation (PENEC)	150,000	150,000
Heritage Light and Power Corporation (HLPC)	150,000	150,000
Orient Light and Power Corporation (OLPC)	150,000	150,000
Cell Power Energy Corporation (CPEC)	5,000	5,000
AP Renewable Energy Corporation (APREC)**	—	27,382,759
	78,154,980,237	77,171,862,996
Investments in Associates		
AA Thermal, Inc. (AA Thermal)	31,822,827,705	31,822,827,705
Hijos de F. Escaño, Inc. (Hijos)	873,491,034	873,491,034
Pampanga Energy Ventures, Inc. (PEVI)	209,465,106	209,465,106
San Fernando Electric Light & Power Co., Inc. (SFELAPCO)	180,863,801	180,863,801
AEV Aviation, Inc. (AAI)	123,098,200	123,098,200
Western Mindanao Power Corporation (WMPC)	79,099,377	79,099,377
Southern Philippines Power Corporation (SPPC)	45,776,067	45,776,067
Mazzaraty Energy Corporation (MEC)	2,243,418	2,243,418
	33,336,864,708	33,336,864,708
Deposit for future stock subscription		
Therma Natgas Power, Inc. (TNPI)*	41,988,139,092	—
	153,479,984,037	110,508,727,704
Less allowance for impairment loss	2,296,052,290	1,071,358,480
	₱151,183,931,747	₱109,437,369,224

* Entities directly owned by TPI

** Entities directly owned by ARI

Investment in SPI

In 2024, the Company purchased the remaining 15.6% interest of STEAG GmbH for USD\$11.0 million (₱632.9 million), which resulted the Company to own 85% equity interest.



Investment in 1882EV

The Company made capital contributions to 1882EV amounting to ₱664.1 million and ₱403.5 million in 2025 and 2024, respectively.

Investment in PIPL

In 2024, the Company made capital contributions to PIPL amounting to ₱315.0 million.

Investment in APX2

The Company made capital contributions to APX2 amounting to ₱269.4 million and ₱131.0 million in 2025 and 2024, respectively.

Investment in TEZ

In 2024, the Company made capital contributions to TEZ amounting to ₱25.0 million.

Investment in PPI

The Company made capital contributions to PPI amounting to ₱73.0 million and ₱1.0 million in 2025 and 2024, respectively.

Investment in HLPC

In 2024, the Company made capital contributions to HLPC amounting to ₱0.2 million.

Investment in OLPC

In 2024, the Company made capital contributions to OLPC amounting to ₱0.2 million.

Investment in RLPI

In 2025, the Company subscribed to RLPI amounting to ₱1.0 million, consisting of 100,000 common shares at ₱1 par value and 900,000 redeemable preferred shares at ₱1 par value.

Investment in VLPI

In 2025, the Company subscribed to VLPI amounting to ₱1.0 million, consisting of 100,000 common shares at ₱1 par value and 900,000 redeemable preferred shares at ₱1 par value.

Investment in CLPI

In 2025, the Company subscribed to CLPI amounting to ₱1.0 million, consisting of 100,000 common shares at ₱1 par value and 900,000 redeemable preferred shares at ₱1 par value.

Investment in NSEI

In 2025, the Company subscribed to NSEI amounting to ₱1.0 million, consisting of 100,000 common shares at ₱1 par value and 900,000 redeemable preferred shares at ₱1 par value.

Investment in APREC

APREC redeemed shares attributable to the Company at 27,382,759 RPS at ₱1 per share for ₱27.4 million in 2025.



Investment in AA Thermal

In 2025, management identified several impairment indicators, including reduced plant reliability and increased market volatility which negatively impacted key assumptions. The pre-tax discount rate applied to free cash flow projections is 10.11%. As a result, the impairment assessment determined that the recoverable amount of the net assets is lower than their carrying value. The Company recognized an impairment loss amounting to ₱0.96 billion on its investment in AA Thermal.

Investment in BEZ

In 2025, internal and external impairment indicators such as compression of operating margin, reduction in industrial demand, and the transition to rooftop solar energy of some of its customer base were identified for BEZ. The projected free cash flows have been updated to reflect these factors. The pre-tax discount rate applied to free cash flow projections is 10.74% (2024: 10.94%). As a result, management recognized an impairment loss amounting to ₱262.2 million on its investment.

Investment in AAI

AAI redeemed shares attributable to the Company at 6,940 RPS at ₱1,000 per share for ₱6.9 million in 2024.

Deposit for future stock subscription in TNPI

On September 17, 2025, TNPI filed with the Securities and Exchange Commission (SEC) for the increase in authorized capital stock consisting of 505,000,000 common shares with a par value of ₱1 and 4,545,000,000 redeemable preferred shares with a par value of ₱1. Out of the increase in authorized capital stock, 4,850,000,000 shares divided into 485,000,000 common shares and 4,365,000,000 redeemable preferred shares at ₱1 par value were actually subscribed. As of March 5, 2026, the application for the increase in authorized capital stock is still pending SEC approval. In 2025, the Company made capital contributions to TNPI amounting to ₱41.99 billion.

Advances

These advances include advances to subsidiaries that will be applied against future subscriptions of the Company to the shares of stock of the subsidiaries.

In 2024, the Company converted the advances to APX2 to equity in the form of redeemable preferred shares amounting to ₱31.0 million

The Company's subsidiaries, all incorporated in the Philippines except for AP Int and PIPL which were incorporated in Singapore and the corresponding percentage equity ownership are as follows:

Name of Company	Nature of Business	Percentage of the Ownership	
		2025	2024
TPI	Holding company	100%	100%
ARI	Holding company	100%	100%
LEZ	Power distribution	100%	100%
DLP	Power distribution	100%	100%
VECO	Power distribution	55%	55%
MEZ	Power distribution	100%	100%
BEZ	Power distribution	100%	100%

(Forward)



Name of Company	Nature of Business	Percentage of the Ownership	
		2025	2024
SEZ	Power distribution	65%	65%
CLP	Power distribution	100%	100%
EAUC	Power generation	50%	50%
MVEZ	Power distribution	100%	100%
AP Int.	Holding company	100%	100%
API	Retail electricity supplier	100%	100%
CPPC	Power generation	60%	60%
PEI	Retail electricity supplier	60%	60%
AI	Retail electricity supplier	100%	100%
CPEC*	Power generation	100%	100%
PENEC*	Service	100%	100%
HLPC*	Service	100%	100%
OLPC*	Service	100%	100%
PPI	Service	100%	100%
RLPI*	Service	100%	100%
VLPI*	Service	100%	100%
CLPI*	Service	100%	100%
NSEI*	Service	100%	100%
APX2	Power generation	100%	100%
TEZ	Power distribution	100%	100%
SPI	Power generation	85%	85%
1882EV	Holding Company	100%	100%
PIPL	Insurance Company	100%	100%

* No commercial operations as of December 31, 2025 and 2024

The percentage of the Company's ownership in associates and joint ventures is as follows:

Name of Company	Nature of Business	Percentage of Ownership	
		2025	2024
AA Thermal	Holding company	49%	49%
AAI	Service	49%	49%
Hijos	Holding company	47%	47%
MEC	Power distribution	45%	45%
PEVI*	Holding company	43%	43%
SFELAPCO*	Power distribution	20%	20%
SPPC	Power generation	20%	20%
WMPC	Power generation	20%	20%

*PEVI has direct ownership in SFELAPCO of 54.83% while the Company's direct ownership in SFELAPCO is 20.29% resulting to the Company's effective ownership in SFELAPCO of 43.78%.



7. Property and Equipment

December 31, 2025

	Transportation Equipment	Office Equipment	Communication Equipment	Leasehold Improvements	Right-of-use asset - Office Space	Total
Cost:						
Balances at beginning of year	₱350,742,837	₱123,656,415	₱816,915	₱-	₱1,010,459,525	₱1,485,675,692
Additions	26,616,036	69,242,597	-	239,740,329	-	335,598,962
Adjustments	-	-	-	-	21,469,338	21,469,338
Disposals	(78,965,903)	(10,286,596)	(816,915)	-	(136,778,380)	(226,847,794)
Balances at end of year	298,392,970	182,612,416	-	239,740,329	895,150,483	1,615,896,198
Accumulated Depreciation and Amortization:						
Balances at beginning of year	156,990,629	92,380,661	816,915	-	125,842,130	376,030,335
Depreciation and amortization	59,191,640	23,889,663	-	11,040,834	66,273,407	160,395,544
Disposals	(71,366,733)	(10,247,076)	(816,915)	-	(112,857,420)	(195,288,144)
Balances at end of year	144,815,536	106,023,248	-	11,040,834	79,258,117	341,137,735
Net Book Values	₱153,577,434	₱76,589,168	₱-	₱228,699,495	₱815,892,366	₱1,274,758,463

December 31, 2024

	Transportation Equipment	Office Equipment	Communication Equipment	Leasehold Improvements	Right-of-use asset - Office Space	Total
Cost:						
Balances at beginning of year	₱313,052,380	₱111,409,470	₱816,915	₱103,219,810	₱136,778,381	₱665,276,956
Additions	64,140,040	14,219,669	-	-	873,681,144	952,040,853
Disposals	(26,449,583)	(1,972,724)	-	(103,219,810)	-	(131,642,117)
Balances at end of year	350,742,837	123,656,415	816,915	-	1,010,459,525	1,485,675,692
Accumulated Depreciation and Amortization:						
Balances at beginning of year	112,235,042	75,110,938	816,915	39,028,300	79,648,246	306,839,441
Depreciation and amortization	56,947,334	18,604,822	-	8,013,432	46,193,884	129,759,472
Disposals	(12,191,747)	(1,335,099)	-	(47,041,732)	-	(60,568,578)
Balances at end of year	156,990,629	92,380,661	816,915	-	125,842,130	376,030,335
Net Book Values	₱193,752,208	₱31,275,754	₱-	₱-	₱884,617,395	₱1,109,645,357

The Company recognized loss on disposal of property and equipment amounting to ₱3.1 million and ₱57.2 million in 2025 and 2024, respectively. There are no restrictions on the title and no property and equipment are pledged as security for liabilities.

8. Other Noncurrent Assets

	2025	2024
Prepaid tax	₱1,403,512,032	₱1,261,028,042
Computer software licenses	390,084,043	401,618,591
Recoverable deposits	28,238,652	19,734,281
Pension asset (Note 14)	541,500	-
	₱1,822,376,227	₱1,682,380,914



The rollforward analysis of computer software licenses is presented below:

	2025	2024
Cost:		
Balances at beginning of year	₱488,544,169	₱116,380,271
Additions	82,976,302	135,617,199
Disposal	(4,069,248)	—
Write-offs	(4,500,000)	—
Reclassification (see Note 9)	—	236,546,699
Balances at end of year	562,951,223	488,544,169
Accumulated amortization:		
Balances at beginning of year	86,925,578	40,019,997
Amortization for the year	85,941,602	46,905,581
Balances at end of year	172,867,180	86,925,578
Net book value	₱390,084,043	₱401,618,591

9. Project Development Costs

	2025	2024
Balances at beginning of year	₱403,011,070	₱1,038,504,045
Additions	186,325,155	233,742,924
Write-offs	(95,784,295)	(248,494,617)
Disposal	(66,285,286)	(384,194,583)
Reclassification (see Note 8)	—	(236,546,699)
Balances at end of year	₱427,266,644	₱403,011,070

Project development costs consist of rights, titles and interests for various power plant development projects.

10. Trade and other payables

	2025	2024
Trade payables	₱164,044,842	₱125,348,609
Accrued interest (see Note 11)	843,619,247	494,988,309
Accrued taxes and fees	147,833,968	97,367,529
Nontrade payables	950,857,315	100,068,798
Output VAT	33,003,261	55,808,851
Others	3,120,485	2,746,197
	₱2,142,479,118	₱876,328,293

Trade payables are noninterest-bearing and generally on 30-day term. Accrued taxes and fees represent taxes withheld on compensation, benefits, interests and other fees. Nontrade payables refer to amounts owed by the Company to parties other than its suppliers, which include accrued personnel costs and dividends payable, and are normally settled throughout the year.



11. Short-term Loan and Long-term Debts

Short-term Loan - ₱24.5 billion

In 2025, the Company availed ₱9.5 billion fixed-rate notes from the Philippine National Bank due on January 16, 2026 at an annual fixed rate equivalent to 4.2% and ₱15.0 billion fixed rate notes from the Land Bank of the Philippines due on March 13, 2026 at an annual fixed rate equivalent to 4.1%.

Total interest expense recognized on short-term loan amounted to ₱1.6 billion in 2025.

Long-term Debts

	Interest Rate	2025	2024
Financial and non-financial institutions - unsecured			
Retail bonds - ₱3.0 billion	5.34%	₱3,000,000,000	₱3,000,000,000
Retail bonds - ₱7.3 billion	5.28%	7,250,000,000	7,250,000,000
Long-term loan - ₱5.0 billion	4.33%	4,700,000,000	4,750,000,000
Retail bonds - ₱8.0 billion	3.82%	8,000,000,000	8,000,000,000
Long-term loan - ₱6.0 billion	4.00%	6,000,000,000	6,000,000,000
Retail bonds - ₱12.0 billion	5.03%	7,200,000,000	7,200,000,000
Retail bonds - ₱10.2 billion	8.51%	—	2,500,000,000
Retail bonds - ₱9.6 billion	3.94%	—	550,000,000
Retail bonds - ₱12.0 billion	4.00%	—	4,800,000,000
Retail bonds - ₱10.0 billion	5.31%	3,000,000,000	3,000,000,000
	5.74%	7,000,000,000	7,000,000,000
Retail bonds - ₱30.0 billion	6.29%	9,468,660,000	—
	5.88%	11,292,540,000	—
	6.86%	9,238,800,000	—
		76,150,000,000	54,050,000,000
Less deferred financing costs		475,082,753	259,619,570
		75,674,917,247	53,790,380,430
Less current portion - net of deferred financing costs		12,776,912,810	5,379,597,149
Noncurrent portion		₱62,898,004,437	₱48,410,783,281

Retail Bonds - ₱3.0 billion

In July 2017, the Company issued ₱3.0 billion 10-year bond due 2027 at an annual fixed rate of 5.34% p.a. The bonds have been rated PRS Aaa by PhilRatings.

Under the bond trust agreements, the Company shall not permit its debt-to-equity ratio to exceed 3:1 calculated based on the year-end debt and consolidated equity. The Company is in compliance with the debt covenants as of December 31, 2025 and 2024, respectively.

Total interest expense recognized on long-term debts amounted to ₱3.8 billion, ₱3.1 billion and ₱2.6 billion in 2025, 2024 and 2023, respectively (see Note 17).



Retail Bonds - ₱7.3 billion

In October 2019, the Company issued ₱7.3 billion 7-year bond due 2026 at a fixed rate of 5.28% p.a. The bonds have been rated PRS Aaa by PhilRatings.

Long-term Loan - ₱5.0 billion

In November 2019, the Company obtain a ₱5.0 billion 7-year long term loan from the BDO Unibank, Inc. at a fixed rate of 5.28% p.a.

In 2020, the Company amend the "Mode of Payment" for the Principal from bullet payment to partial payments equal to 1 percent (%) of total principal amount payable annually starting November 2020 and the remaining 94 percent (%) upon maturity.

On July 13, 2021, the Company reached a rate reduction agreement to amend the interest rates of the loan from fixed rate loan of 5.28% to the sum of a benchmark rate and a spread of 0.90%, divided by an applicable factor and 4.125% per annum, whichever is higher.

The Company is in compliance with the debt covenants as of December 31, 2025 and 2024.

Retail Bonds - ₱8.0 billion

In March 2021, the Company issued another ₱8.0 billion 5-year bond due 2026 at an annual fixed rate equivalent to 3.82% as part of the first tranche of its ₱30.0 billion debt securities program. The bonds have been rated PRS Aaa by PhilRatings.

Long-term Loan - ₱6.0 billion

In July 2021, the Company availed ₱6.0 billion 7-year fixed-rate notes from the BDO Unibank, Inc. due 2028 at an annual fixed rate equivalent to 4.00%.

Retail Bonds - ₱12.0 billion

In December 2021, the Company issued a total of ₱12.0 billion bonds, broken down into a ₱4.8 billion 4-year bond due 2025 at a fixed rate equivalent to 4% p.a. and a ₱7.2 billion 7-year bond due 2028 at a fixed rate equivalent to 5.03% p.a. The bonds have been rated PRS Aaa by PhilRatings.

In December 2025, the Company fully paid the 4-year bond amounting to ₱4.8 billion.

Retail Bonds - ₱10.0 billion

In March 2022, the Company issued ₱3.0 billion 5-year bond due 2027 and ₱7.0 billion 7-year bond due 2029 at an annual fixed rate equivalent to 5.31% and 5.74%, respectively.

Retail Bonds - ₱30.0 billion

In July 2025, the Company issued a total of ₱30.0 billion bonds, broken down into (i) ₱11.30 billion 2.25-year bond due 2027 at a fixed rate equivalent to 5.88% p.a., (ii) ₱9.47 billion 5.25-year bond due 2030 at a fixed rate equivalent to 6.29% p.a. and (iii) ₱9.24 billion 10.25-year bond due 2035 at a fixed rate equivalent to 6.86% p.a. The bonds have been rated PRS Aaa by PhilRatings.

In 2025, the Company paid transaction costs for the availment of these retail bonds amounting to ₱362.5 million.



Retail Bonds - ₱10.2 billion

In October 2018, the Company issued a total of ₱10.2 billion bonds, broken down into a ₱7.7 billion 5.25-year bond due 2024 at a fixed rate equivalent to 7.51% p.a. and a ₱2.5 billion 10-year bond due 2028 at a fixed rate equivalent to 8.51% p.a. The bonds have been rated PRS Aaa by PhilRatings. The ₱7.7 billion 5.25-year bond was prepaid in October 2022.

In October 2025, the Company prepaid the 10-year bond amounting to ₱2.5 billion. The recognized loss on extinguishment due to this prepayment amounted to ₱50.0 million. It was included as part of Other income (expense) – net under “Others” in the parent company statement of income for the year ended December 31, 2025.

Retail Bonds - ₱9.6 billion

In July 2020, the Company issued the fourth and last tranche of its ₱30.0 billion debt securities program, equivalent to ₱9.6 billion in July (the “Series E and F Bonds”). The Fixed Rate “Series E and F Bonds” has an interest rate of 3.125% and 3.935% per annum maturing in 2022 and 2025, respectively. The bonds have been rated PRS Aaa by PhilRatings.

In July 2025, the Company fully paid the remaining Series F bonds amounting to ₱0.6 billion.

12. Equity and Earnings per Common Share

a. Paid-in Capital

	2025	2024
Capital Stock:		
Authorized - ₱1 par value:		
Common shares - 16,000,000,000 shares		
Preferred shares - 1,000,000,000 shares		
Issued:		
Common shares - 7,358,604,307 shares	₱7,358,604,307	₱7,358,604,307
Additional Paid-in Capital	12,588,894,332	12,588,894,332
	₱19,947,498,639	₱19,947,498,639

On May 25, 2007, the Company listed with the Philippine Stocks Exchange its 7,187,664,000 common shares with a par value of ₱1.00 to cover the initial public offering (IPO) of 1,787,664,000 common shares at an issue price of ₱5.80 per share. On March 17, 2008, the Company listed an additional 170,940,307 common shares, which it issued pursuant to a share swap agreement at the IPO price of ₱5.80 per share. The total proceeds from the issuance of new shares amounted to ₱10.37 billion. The Company incurred transaction costs incidental to the initial public offering amounting to ₱412.4 million, which is charged against “Additional paid-in capital” in the parent company balance sheet.

As of December 31, 2025 and 2024, the Company has 597 and 582 shareholders, respectively.



Preferred shares are non-voting, non-participating, non-convertible, redeemable, cumulative, and may be issued from time to time by the BOD in one or more series. The BOD is authorized to issue from time to time before issuance thereof, the number of shares in each series, and all the designations, relative rights, preferences, privileges and limitations of the shares of each series. Preferred shares redeemed by the Company may be reissued. Holders thereof are entitled to receive dividends payable out of the unrestricted retained earnings of the Company at a rate based on the offer price that is either fixed or floating from the date of the issuance to final redemption. In either case, the rate of dividend, whether fixed or floating, shall be referenced, or be a discount or premium, to market-determined benchmark as the BOD may determine at the time of issuance with due notice to the SEC.

In the event of any liquidation or dissolution or winding up of the Company, the holders of the preferred stock shall be entitled to be paid in full the offer price of their shares before any payment in liquidation is made upon the common stock.

There are no preferred shares issued and outstanding as of December 31, 2025 and 2024.

b. Retained Earnings

On March 3, 2023, the BOD approved the declaration of regular cash dividends of ₱1.87 per share (₱13.76 billion) to be paid to all stockholders of record as of March 17, 2023. The cash dividends are payable on March 30, 2023.

On November 22, 2023, the BOD approved the reversal of ₱8.2 billion retained earnings appropriation set up in 2019 for the equity requirement of the 300MW Cebu Coal plant.

On March 5, 2024, the BOD approved the declaration of regular cash dividends of ₱2.3 per share (₱16.57 billion) to be paid to all stockholders of record as of March 19, 2024. The cash dividends are payable on March 26, 2024.

On March 6, 2025, the BOD approved the declaration of regular cash dividends of ₱2.35 per share (₱16.93 billion) to be paid to all stockholders of record as of March 21, 2025. The cash dividends are payable on March 28, 2025.

On March 5, 2026, the BOD approved the declaration of regular cash dividends of ₱1.35 per share (₱9.73 billion) and special cash dividends of ₱0.93 per share (₱6.70 billion) to be paid to all stockholders of record as of March 19, 2026. The cash dividends are payable on March 27, 2026.

On March 5, 2026, the BOD approved the reversal of the appropriated retained earnings amounting to ₱11.9 billion. This pertains to the appropriation in 2019 for project development and construction of power plants that were already completed as of approval date.



c. Earnings per Common Share

Earnings per common share amounts were computed as follows:

	2025	2024	2023
a. Net income	₱7,693,270,756	₱19,581,416,432	₱11,247,471,786
b. Weighted average number of common shares issued and outstanding	7,205,854,307	7,205,854,307	7,318,142,937
Earnings per common share (a/b)	₱1.07	₱2.72	₱1.54

d. Treasury Shares

The Company purchased a total of 152,750,000 shares of its own common shares for ₱4.89 billion in 2023. The acquisition is pursuant to the authority approved by the Company's Board of Directors on August 29, 2023.

As of December 31, 2025 and 2024, there were no change to these shares.

13. Personnel Costs

	2025	2024	2023
Salaries and wages	₱1,380,125,142	₱1,287,601,145	₱1,448,755,637
Employee benefits	1,396,044,505	337,137,428	764,949,845
Retirement benefit costs (Note 14)	101,667,336	126,503,833	128,597,805
	₱2,877,836,983	₱1,751,242,406	₱2,342,303,287

14. Retirement Costs

The Company has a funded, non-contributory, defined benefit pension plan (the "Plan") covering all regular and full-time employees and requiring contributions to be made to separately administered fund. This retirement benefit fund (the "Fund") is in the form of a trust being maintained and managed by AEV, under the supervision of the Board of Trustees (BOT) of the Plan. The BOT, whose members are also officers of AEV, is responsible for the investment of the Fund assets. Taking into account the Plan's objectives, benefit obligations and risk capacity, the BOT periodically defines the investment strategy in the form of a long-term target structure.

The following tables summarize the components of net benefit expense recognized in the parent company statements of income and the funded status and amounts recognized in the parent company balance sheets for the plan.



Net benefit expense (recognized as part of personnel costs) (Note 13):

	2025	2024	2023
Retirement expense to be recognized in the parent company statements of income:			
Current service cost	₱88,424,603	₱102,131,951	₱94,583,235
Net interest cost	13,242,733	24,371,882	34,014,570
	₱101,667,336	₱126,503,833	₱128,597,805

Remeasurement effect to be recognized in other comprehensive income:

	2025	2024	2023
Actuarial gains due to:			
Experience adjustments	₱102,219,431	₱108,473,926	₱109,429,373
Changes in financial assumptions	17,376,065	(831,414)	(95,764,302)
Actual return excluding amount included in net interest cost	(26,120,180)	78,922,993	(5,666,193)
	₱93,475,316	₱186,565,505	₱7,998,878

Pension liability (asset)

	2025	2024
Present value of obligation	₱765,594,864	₱795,002,696
Fair value of plan assets	(766,136,364)	(578,264,031)
	(₱541,500)	₱216,738,665

Changes in the present value of the defined benefit obligation are as follows:

	2025	2024
At January 1	₱795,002,696	₱916,165,009
Net benefit expense:		
Current service cost	88,424,603	102,131,951
Interest cost	48,574,665	56,069,299
	136,999,268	158,201,250
Benefits paid	(57,440,343)	(127,238,230)
Employee transfers	10,628,739	(44,482,821)
Remeasurements in other comprehensive income:		
Actuarial loss (gain) due to:		
Changes in financial assumptions	(17,376,065)	831,414
Experience adjustments	(102,219,431)	(108,473,926)
	(119,595,496)	(107,642,512)
At December 31	₱765,594,864	₱795,002,696



Changes in the fair value of plan assets are as follows:

	2025	2024
At January 1	₱578,264,031	₱517,931,644
Actual contributions	225,472,185	121,433,028
Interest income included in net interest cost	35,331,932	31,697,417
Benefits paid	(57,440,343)	(127,238,230)
Transfers	10,628,739	(44,482,821)
Actual return excluding amount included in net interest cost	(26,120,180)	78,922,993
At December 31	₱766,136,364	₱578,264,031

Changes in pension liability (asset) recognized in the parent company balance sheets are as follows:

	2025	2024
At January 1	₱216,738,665	₱398,233,365
Actual contributions	(225,472,185)	(121,433,028)
Actuarial loss recognized for the year	(93,475,316)	(186,565,505)
Retirement expense for the year	101,667,336	126,503,833
At December 31	(₱541,500)	₱216,738,665

The fair value of plan assets by each class at the end of the reporting period are as follows:

	2025	2024
Assets:		
Financial assets at FVOCI	₱63,094,425	₱60,100,961
Equity instruments - financial institution:		
Financial assets at amortized cost	264,176,883	174,812,881
Holding	2,910	3,320
Power	62,637,520	52,739,610
Financial institution	18,686,952	20,558,716
Others	412,038,764	323,263,909
	820,637,454	631,479,397
Liability:		
Financial liability	(54,501,090)	(53,215,366)
Fair value of plan assets	₱766,136,364	₱578,264,031

The plan assets have diverse investments and do not have any concentration risk.

The Company's retirement benefit fund for its employees has investments in the equity of the Company. The carrying value of these investments as of December 31, 2025 and December 31, 2024 amounted to ₱65.0 million and ₱55.7 million, respectively. The losses of fund arising from such investments amounted to ₱0.4 million and ₱10.5 million in 2025 and 2024, respectively.



The principal assumptions used as of December 31, 2025 and 2024 in determining net pension liability for the Company's Plan is shown below:

	2025	2024
Discount rate	6.38%	6.11%
Salary increase rate	7.00%	7.00%

The sensitivity analysis below has been determined based on reasonable possible changes of each significant assumption on the defined benefit obligation as of December 31, 2025 and 2024, respectively, assuming all other assumptions were held constant:

	Increase (decrease) in basis points	Effect on defined benefit obligation	
		2025	2024
Discount rates	100	(P60,734,068)	(P62,213,435)
	(100)	69,580,419	71,408,526
Future salary increases	100	P72,479,129	P74,291,561
	(100)	(64,342,600)	(65,881,272)

The Company's defined benefit pension plan is funded by the Company.

The Company expected to contribute P23.3 million to the defined benefit plans in 2026. The average duration years of the defined benefit obligation is 12 years as of December 31, 2025 and 2024.

The BOT reviews the performance of the plans on a regular basis. It assesses whether the retirement plans will achieve investment returns which, together with contributions, will be sufficient to pay retirement benefits as they fall due. The Company also reviews the solvency position of the different member companies on an annual basis and estimates, through the actuary, the expected contribution to the Plan in the subsequent year.

15. Income Tax

Details of provision for income tax are as follows:

	2025	2024	2023
Current:			
Corporate income tax	P1,544,458	P-	P9,818,440
Final	18,371,907	23,766,505	21,861,238
	P19,916,365	P23,766,505	P31,679,678

No provision for current income tax was recognized in 2024. The provision for corporate income tax represents MCIT in 2023 and 2022.



Reconciliation between the statutory income tax rate and the Company's effective income tax rates follows:

	2025	2024	2023
At statutory rate of 25%	₱1,928,296,781	₱4,901,295,734	₱2,819,787,866
Additions to (reductions in) income tax resulting from:			
Dividend income	(4,358,294,902)	(6,098,286,604)	(3,885,147,029)
Movement on unrecognized deferred income tax asset on:			
NOLCO	1,946,518,489	1,125,312,836	938,219,233
Accrual of pension cost	25,416,834	31,625,958	32,149,451
Unamortized past service cost	(35,736,775)	(30,349,262)	(45,094,268)
Provision for impairment loss on investment in a subsidiary	306,173,453	—	—
MCIT	1,544,458	—	9,818,440
Nondeductible expenses:			
Write-off of projected development cost	25,071,074	62,123,654	46,452,803
Interest expense	19,123,701	6,886,620	6,074,901
Others	167,888,591	35,824,164	117,931,547
Interest income already subjected to final tax at a lower rate	(6,085,339)	(10,666,595)	(8,513,266)
	₱19,916,365	₱23,766,505	₱31,679,678

The components of the Company's net deferred income tax asset (liability) are as follows:

	2025	2024
Deferred income tax assets on lease liabilities	₱227,005,195	₱231,351,654
Deferred income tax liability on ROU building	(203,973,091)	(221,154,349)
Deferred income tax liability on deferred financing cost	(79,883,475)	—
Deferred income tax asset on NOLCO	55,106,032	16,073,883
Deferred income tax asset on unrealized foreign exchange loss	29,148,220	—
Deferred income tax liability on unrealized foreign exchange gains	(27,402,881)	(26,271,188)
	₱—	₱—



As of December 31, 2025, the Company has MCIT that can be claimed as deduction from regular income tax liability as follows:

Period of Recognition	Availment Period	Amount	Applied	Expired	Balance
2022	2023-2025	₱5,568,087	₱—	₱5,568,087	₱—
2023	2024-2026	9,818,440	—	—	9,818,440
2025	2026-2028	1,544,458	—	—	1,544,458
		₱16,930,985	₱—	₱5,568,087	₱11,362,898

As of December 31, 2025, the Company has NOLCO in 2025, 2024 and 2023, which are valid as deduction against the regular taxable income for the next three (3) consecutive taxable years, as follows:

Period of Recognition	Availment Period	Amount	Applied	Expired	Balance
2022	2023-2025	₱3,884,025,155	₱—	₱3,884,025,155	₱—
2023	2024-2026	3,758,085,112	—	—	3,758,085,112
2024	2025-2027	4,559,897,426	—	—	4,559,897,426
2025	2026-2028	7,942,202,552	—	—	7,942,202,552
		₱20,144,210,245	₱—	₱3,884,025,155	₱16,260,185,090

As of December 31, 2025, the Company has NOLCO in taxable years 2021 and 2020 which can be claimed as deduction against the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan 2, as follows:

Period of Recognition	Availment Period	Amount	Applied	Expired	Balance
2020	2021-2025	₱3,130,564,280	₱—	₱3,130,564,280	₱—
2021	2022-2026	3,139,176,172	—	—	3,139,176,172
		₱6,269,740,452	₱—	₱3,130,564,280	₱3,139,176,172

No deferred income tax assets have been recognized as of December 31, 2025 and 2024 on the following temporary differences as it is not probable that sufficient taxable income will be available to allow the benefit of the net deferred income tax assets to be utilized:

	2025	2024
NOLCO	₱19,178,937,134	₱18,407,452,614
Unamortized past service cost	330,902,833	248,377,748
MCIT	11,362,898	15,386,527
Pension Liability	—	216,738,665

16. Related Party Disclosures

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.



The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

The Company, in its normal course of business, has transactions with its related parties, which principally consist of the following:

- a. The Company has management agreements with each of the following subsidiaries: CLP, DLP, and ARI for which it is entitled to management fees.
- b. The Company renders various services to related parties such as technical and legal assistance for various projects, trainings and other services, for which it bills technical and service fees.
- c. The Company availed interest-bearing advances from ARI.
- d. The Company obtained standby letters of credit (SBLC) and DSRA letter of credit and is acting as surety and guarantor for the benefit of certain subsidiaries, associates and joint ventures in connection with certain loans and credit accommodations. As of December 31, 2025 and 2024, the Company provided SBLCs for AP Renewables, Inc. (APRI), Cebu Energy Development Corporation (CEDC), Luzon Hydro Corporation (LHC), SN Aboitiz Power-Benguet, Inc. (SNAP B), Therma South (TSI), Pagbilao Energy Corporation (PEC), Hedcor Inc. (HI), SPI, and TVI in the amount of ₱3.5 billion and ₱3.6 billion, respectively. The Company received guarantee fee from GNPowder Dingin Ltd. Co (GNPD) amounting to ₱103.3 million and ₱107.3 million in 2025 and 2024, respectively.
- e. AEV and ACO provides human resources, internal audit, legal, treasury and corporate finance services, among others, to the Company and shares with the member companies the business expertise of its highly qualified professionals. Transactions are priced based on agreed rates, and billed costs are always benchmarked to third party rates to ensure competitive pricing. Service Level Agreements are in place to ensure quality of service. This arrangement enables the Company to maximize efficiencies and realize cost synergies.
- f. Cash deposits and money market placements with Union Bank of the Philippines (UBP) and City Savings Bank (CSB), an associate of AEV. At prevailing rates, these fixed-rate investments earned interest income amounting to ₱43.6 million and ₱51.6 million in 2025 and 2024, respectively. Outstanding balances amounted ₱209.6 million and ₱205.6 million as of December 31, 2025, and 2024, respectively.
- g. Rentals paid at current market rates to AEV and Cebu Praedia Development Corporation (CPDC) for the use of meeting rooms, parking lots and properties by the Company's officers and employees.
- h. Aviation service fees paid to AAI for the use of aircraft during travel of the Company's officers and employees.
- i. HI renders technical services to the Company for the technical expertise of its highly qualified professionals on the Company's project management.
- j. TMI incurred shared services relating to corporate support for the Company.



- k. The Company engaged in NDF contracts with ARI which were mirrored from a separate contract with banks, with the intention of ultimately hedging ARI's exposure.
- l. The Company incurs expenses for the research and development of projects which are subsequently reimbursed by the related party.



The Company's balance sheets and statements of income include the following accounts resulting from the above transactions with related parties:

Technical, Management and other Service Fees

	Revenue			Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
<i>Subsidiaries:</i>							
DLP	₱545,952,282	₱434,812,733	₱617,041,832	₱—	₱—	30-day, non-interest bearing	Unsecured, no impairment
GMEC	211,689,042	197,733,052	226,607,080	28,165,805	—	30-day, non-interest bearing	Unsecured, no impairment
ARI	125,761,192	107,820,151	753,459,998	28,688,447	26,545,084	30-day, non-interest bearing	Unsecured, no impairment
VECO	107,284,485	228,147,742	105,711,666	44,190	127,840,000	30-day, non-interest bearing	Unsecured, no impairment
TLI	86,148,770	18,753,880	26,625,782	436,550	—	30-day, non-interest bearing	Unsecured, no impairment
API	81,721,154	3,364,666	9,799,869	—	—	30-day, non-interest bearing	Unsecured, no impairment
AI	77,688,218	165,826,951	57,079,221	1,238,304	—	30-day, non-interest bearing	Unsecured, no impairment
CLP	52,238,580	63,977,782	61,288,604	—	—	30-day, non-interest bearing	Unsecured, no impairment
TSI	48,940,604	10,271,367	13,672,287	941,749	—	30-day, non-interest bearing	Unsecured, no impairment
1882EV	44,266,443	—	—	48,757,457	—	30-day, non-interest bearing	Unsecured, no impairment
APRI	19,549,329	32,567,693	28,372,027	14,772,639	—	30-day, non-interest bearing	Unsecured, no impairment
LEZ	10,372,490	8,160,730	7,928,375	—	—	30-day, non-interest bearing	Unsecured, no impairment
HI	9,273,967	5,245,191	2,538,954	3,322,854	—	30-day, non-interest bearing	Unsecured, no impairment

(Forward)



	Revenue			Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
SEZ	₱7,930,349	₱10,965,854	₱10,571,167	₱—	₱—	30-day, non-interest bearing	Unsecured, no impairment
TVI	7,526,351	7,826,200	15,618,761	11,638,474	—	30-day, non-interest bearing	Unsecured, no impairment
CEDI	5,783,566	—	—	95,682	—	30-day, non-interest bearing	Unsecured, no impairment
EAUC	5,147,010	2,066,155	2,409,828	—	—	30-day, non-interest bearing	Unsecured, no impairment
ASPI	4,710,796	—	—	384,715	—	30-day, non-interest bearing	Unsecured, no impairment
RERI	3,831,343	—	—	313,075	—	30-day, non-interest bearing	Unsecured, no impairment
APREC	3,747,626	—	—	306,056	—	30-day, non-interest bearing	Unsecured, no impairment
TMI	3,220,794	5,816,727	3,177,150	377,385	—	30-day, non-interest bearing	Unsecured, no impairment
MEZ	2,862,586	4,119,390	3,964,187	—	—	30-day, non-interest bearing	Unsecured, no impairment
BEZ	2,858,398	4,119,390	3,964,187	—	—	30-day, non-interest bearing	Unsecured, no impairment
MVEZ	2,789,950	87,122	—	—	—	30-day, non-interest bearing	Unsecured, no impairment
TMO	1,878,083	1,702,261	2,073,337	—	—	30-day, non-interest bearing	Unsecured, no impairment
HBI	1,759,583	1,012,210	4,349,066	815,836	—	30-day, non-interest bearing	Unsecured, no impairment
HSI	1,518,520	720,126	291,880	1,771,165	—	30-day, non-interest bearing	Unsecured, no impairment
PV Sinag	1,480,928	486,454	—	144,889	—	30-day, non-interest bearing	Unsecured, no impairment
PEI	1,134,940	1,138,703	1,597,375	312,108	—	30-day, non-interest bearing	Unsecured, no impairment

(Forward)



	Revenue			Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
SACASUN	₱917,200	₱1,199,871	₱309,846	₱595,227	₱—	30-day, non-interest bearing	Unsecured, no impairment
LHC	798,636	232,274	291,880	1,474,629	—	30-day, non-interest bearing	Unsecured, no impairment
HSAB	733,086	612,983	291,880	238,992	—	30-day, non-interest bearing	Unsecured, no impairment
HTI	549,537	266,528	291,880	247,578	—	30-day, non-interest bearing	Unsecured, no impairment
APX1	335,780	6,569	322,312	—	—	30-day, non-interest bearing	Unsecured, no impairment
APX2	244,900	15,641	251,628	22,449	—	30-day, non-interest bearing	Unsecured, no impairment
SOLVIVA	147,216	—	—	161,938	—	30-day, non-interest bearing	Unsecured, no impairment
CPPC	—	—	2,602,069	—	—	30-day, non-interest bearing	Unsecured, no impairment
TPVI	—	—	1,997,012	—	—	30-day, non-interest bearing	Unsecured, no impairment
<i>Associates:</i>							
GNPD	103,229,320	153,223,548	44,910,472	19,600	—	30-day, non-interest bearing	Unsecured, no impairment
SFELAPCO	33,925,829	25,368,879	25,874,930	—	4,977,580	30-day, non-interest bearing	Unsecured, no impairment
CEDC	—	24,210,619	—	—	—	30-day, non-interest bearing	Unsecured, no impairment
<i>Joint Venture:</i>							
SN Aboitiz Power - Magat, Inc.	8,124,228	7,500,000	16,309,405	368,451	—	30-day, non-interest bearing	Unsecured, no impairment
SN Aboitiz Power - Benguet, Inc.	8,124,228	7,500,000	7,500,000	556,467	—	30-day, non-interest bearing	Unsecured, no impairment

(Forward)



	Revenue			Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
Subsidiaries and associates of AEV							
Apo Agua Infraestructura, Inc.	₱—	₱—	₱7,145,994	₱—	₱—	30-day, non-interest bearing	Unsecured, no impairment
Pagbilao Energy Corporation	—	—	—	1,035,078	—	30-day, non-interest bearing	Unsecured, no impairment
	₱1,636,197,339	₱1,536,879,442	₱2,066,241,941	₱147,247,789	₱159,362,664		

Advances from Related Parties

	Advances		Outstanding Payable		Terms	Conditions
	2025	2024	2025	2024		
Subsidiaries:						
ARI	₱2,048,462,281	₱9,000,000,000	₱2,000,000,000	₱6,000,000,000	5.75% to 6.79% interest; 1 year	Unsecured, no impairment
AP INT	540,560,750	—	—	—	6.00% interest; 5 months	Unsecured, no impairment
AI	700,000,000	—	—	—	5.25% to 5.75% interest; 5 months	Unsecured, no impairment
TLI	2,500,000,000	—	—	—	5.25% to 5.75% interest; 3 months	Unsecured, no impairment
	₱5,789,023,031	₱9,000,000,000	₱2,000,000,000	₱6,000,000,000		

Dividends

	Revenue			Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
<i>Subsidiaries:</i>							
TPI	₱5,159,350,000	₱14,048,038,000	₱200,000,000	₱—	₱—	On-demand, noninterest bearing	Unsecured, no impairment
DLP	2,119,610,731	1,180,216,773	1,455,904,692	—	—	On-demand, noninterest bearing	Unsecured, no impairment

(Forward)



	Revenue			Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
AA Thermal	₱1,999,403,380	₱3,399,949,556	₱—	₱—	₱—	On-demand, noninterest bearing	Unsecured, no impairment
SPI	1,892,417,194	2,557,373,102	—	—	—	On-demand, noninterest bearing	Unsecured, no impairment
VECO	1,659,436,933	1,580,726,087	1,212,123,441	—	—	On-demand, noninterest bearing	Unsecured, no impairment
TVI	1,022,091,639	681,394,426	613,255,010	—	—	On-demand, noninterest bearing	Unsecured, no impairment
AI	1,020,000,000	—	—	—	—	On-demand, noninterest bearing	Unsecured, no impairment
AP INT	766,068,000	—	—	—	—	On-demand, noninterest bearing	Unsecured, no impairment
API	500,000,000	—	193,000,000	—	—	On-demand, noninterest bearing	Unsecured, no impairment
LEZ	406,880,000	253,840,000	299,161,784	—	—	On-demand, noninterest bearing	Unsecured, no impairment
PEVI	172,195,355	95,447,506	79,339,669	—	—	On-demand, noninterest bearing	Unsecured, no impairment
TSI	169,491,031	207,772,022	204,624,707	—	—	On-demand, noninterest bearing	Unsecured, no impairment
SFELAPCO	162,368,793	101,441,390	68,980,145	—	—	On-demand, noninterest bearing	Unsecured, no impairment
CLP	138,674,272	61,800,491	—	—	—	On-demand, noninterest bearing	Unsecured, no impairment
CPPC	93,559,832	21,000,000	—	—	—	On-demand, noninterest bearing	Unsecured, no impairment
SEZ	86,840,000	98,410,000	107,692,583	—	—	On-demand, noninterest bearing	Unsecured, no impairment
MEZ	23,111,730	29,940,195	34,043,450	—	—	On-demand, noninterest bearing	Unsecured, no impairment
WMPC	20,000,000	40,000,000	60,000,000	—	—	On-demand, noninterest bearing	Unsecured, no impairment

(Forward)



	Revenue			Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
BEZ	₱16,991,976	₱33,697,167	₱11,182,849	₱—	₱—	On-demand, noninterest bearing	Unsecured, no impairment
AEV Aviation	—	2,099,702	1,279,785	—	2,099,702	On-demand, noninterest bearing	Unsecured, no impairment
ARI Associate:	—	—	11,000,000,000	—	—	On-demand, noninterest bearing	Unsecured, no impairment
MEC	4,688,741	—	—	—	—	On-demand, noninterest bearing	Unsecured, no impairment
	₱17,433,179,607	₱24,393,146,417	₱15,540,588,115	₱—	₱2,099,702		

Interest Income

	Revenue			Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
Subsidiaries:							
Hijos	₱—	₱161,319	₱106,398	₱—	₱—	30-day, noninterest bearing	Unsecured, no Impairment
APX2	—	324,639	100,750	—	—	30-day, noninterest bearing	Unsecured, no impairment
	₱—	₱485,958	₱207,148	₱—	₱—		



Interest Expense

	Expense			Payable			
	2025	2024	2023	2025	2024	Terms	Conditions
Subsidiaries:							
ARI	₱345,815,811	₱422,937,900	₱—	₱52,056,667	₱100,917,054	5.75% to 6.79% interest; 1 year	Unsecured, no impairment
TLI	24,583,333	—	—	—	—	6.00% interest; 5 months	Unsecured, no impairment
AI	21,525,000	—	—	—	—	5.25% to 5.75% interest; 5 months	Unsecured, no impairment
AP INT	14,693,782	—	—	3,611,319	—	5.25% to 5.75% interest; 3 months	Unsecured, no impairment
	₱406,617,926	₱422,937,900	₱—	₱55,667,986	₱100,917,054		

Transportation and Travel

	Expense			Payable			
	2025	2024	2023	2025	2024	Terms	Conditions
Affiliate:							
AAI	₱28,692,589	₱24,439,008	₱33,304,039	₱—	₱—	30-day, noninterest bearing	Unsecured



Cash Deposits and Placements

	Interest Income			Outstanding Balance		Terms	Conditions
	2025	2024	2023	2025	2024		
Associates of AEV:							
UBP	₱21,345,790	₱35,592,583	₱23,119,362	₱209,584,958	₱205,645,851	90 days or less, interest-bearing	No impairment, unsecured
CSB	22,205,725	16,026,726	23,854,113	—	—	90 days or less, interest-bearing	No impairment, unsecured
	₱43,551,515	₱51,619,309	₱46,973,475	₱209,584,958	₱205,645,851		

Rent

	Expense			Payable		Terms	Conditions
	2025	2024	2023	2025	2024		
Parent							
AEV	₱—	₱—	₱63,677	₱—	₱—	30-day, noninterest bearing	Unsecured
Affiliate							
CPDC	2,584,386	1,580,587	1,076,943	—	—	30-day, noninterest bearing	Unsecured
	₱2,584,386	₱1,580,587	₱1,140,620	₱—	₱—		



Professional, Legal and Service Fees

	Expense			Payable		Terms	Conditions
	2025	2024	2023	2025	2024		
<i>Parents</i>							
AEV	₱766,125	₱—	₱4,413,854	₱—	₱—	30-day, noninterest Bearing	Unsecured
ACO	4,200,000	5,150,000	6,300,000	—	—	30-day, noninterest Bearing	Unsecured
<i>Subsidiary</i>							
HI	19,427,806	19,427,806	44,678,790	—	—	30-day, noninterest bearing	Unsecured
	₱24,393,931	₱24,577,806	₱55,392,644	₱—	₱—		

Contracted Services

	Expense			Payable		Terms	Conditions
	2025	2024	2023	2025	2024		
<i>Parent</i>							
AEV	₱13,650,866	₱35,202,218	₱66,939,784	₱—	₱—	30-day, noninterest Bearing	Unsecured
<i>Subsidiary</i>							
TMI	—	—	232,710	—	—	30-day, noninterest bearing	Unsecured
	₱13,650,866	₱35,202,218	₱67,172,494	₱—	₱—		



Other Income

	Revenue			Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
<i>Subsidiary</i>							
RERI	₱2,416,305	₱—	₱—	₱—	₱—	30-day, noninterest bearing	Unsecured
TNPI	1,156,289	—	—	—	—	30-day, noninterest bearing	Unsecured
APRI	571,910	—	—	—	—	30-day, noninterest bearing	Unsecured
VECO	130,964	—	—	—	—	30-day, noninterest bearing	Unsecured
GMEC	67,239	16,921	—	—	—	30-day, noninterest bearing	Unsecured
GNPD	60,188	—	75,932,763	—	37,551,217	30-day, noninterest bearing	Unsecured
CEDI	13,742	—	44,175	—	—	30-day, noninterest bearing	Unsecured
1882EV	8,136	—	—	—	—	30-day, noninterest bearing	Unsecured
PIPL	—	398,640	—	—	—	30-day, noninterest bearing	Unsecured
SEC	—	274,234	—	—	—	30-day, noninterest bearing	Unsecured
NLGP	—	101,910	—	—	—	30-day, noninterest bearing	Unsecured
PVS	—	—	8,083,773	—	—	30-day, noninterest bearing	Unsecured
Hijos	—	—	3,742	—	—	30-day, noninterest bearing	Unsecured
<i>Joint Operation</i>							
PEC	3,756,296	4,064,950	1,264,880	1,035,078	—	30-day, noninterest bearing	Unsecured
	₱8,181,069	₱4,856,655	₱85,329,333	₱1,035,078	₱37,551,217		



Derivatives

	Gain			Asset		Terms	Conditions
	2025	2024	2023	2025	2024		
<i>Subsidiary</i>							
ARI (Calatrava and Olongapo Hedge)	₱—	₱—	₱481,595,229	₱—	₱—	2-years, noninterest bearing	Unsecured

Reimbursement of project cost

	Income			Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
<i>Subsidiary</i>							
RERI	₱34,518,646	₱5,380,096	₱—	₱—	₱—	30-day, noninterest Bearing	Unsecured
TNPI	19,271,487	—	—	—	—	30-day, noninterest Bearing	Unsecured
APRI	8,170,136	—	—	—	—	30-day, noninterest Bearing	Unsecured
ARI	2,141,561	—	—	—	—	30-day, noninterest Bearing	Unsecured
VECO	1,870,920	—	—	—	—	30-day, noninterest Bearing	Unsecured
CEDI	196,314	—	—	—	—	30-day, noninterest Bearing	Unsecured
1882EV	116,221	7,669,919	—	—	—	30-day, noninterest Bearing	Unsecured
APREC	—	5,888,273	—	—	—	30-day, noninterest Bearing	Unsecured
ASPI	—	4,623,802	—	—	—	30-day, noninterest bearing	Unsecured
	₱66,285,285	₱23,562,090	₱—	₱—	₱—		



The above transactions are expected to be settled in cash.

The Company's Fund is in the form of a trust being maintained and managed by AEV under the supervision of the BOT of the plan. In 2025 and 2024, other than contributions to the Fund, no transactions occurred between the Company or any of its subsidiaries and the Fund.

Total compensation and benefits of key management personnel of the Company are as follows:

	2025	2024	2023
Short-term benefits (see Note 13)	₱167,359,776	₱190,073,296	₱172,172,861
Post-employment benefits (see Note 13)	5,120,862	4,096,893	5,332,579
	₱172,480,638	₱194,170,189	₱177,505,440

17. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash and cash equivalents, short-term loan and long-term debts. The main purpose of these financial instruments is to raise financing for the Company's operations. The Company has various other financial instruments such as trade and other receivables and trade and other payables which arise directly from its operations.

The Company also enters into derivative transactions, particularly foreign currency forwards, to economically hedge its foreign currency risk from foreign currency denominated liabilities (see Note 18).

Risk Management Structure

The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Company.

Financial risk committee

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

Treasury service group

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

The main risks arising from the Company's financial instruments are credit risk involving possible exposure to counter party default on its cash and cash equivalents, and trade and other receivables; liquidity risk in terms of the proper matching of the type of financing required for specific investments; and foreign exchange risk in terms of foreign exchange fluctuations that may significantly affect its foreign currency denominated placements.

Credit risk

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



The Company's credit risk on cash in banks and cash equivalents and trade and other receivables pertains to possible default by the counterparty, with a maximum exposure equal to the carrying amount of these assets. With respect to cash in banks and cash equivalents, the risk is mitigated by the short-term and/or liquid nature of its short-term deposits mainly in bank deposits and placements, which are placed with financial institutions of high credit standing. With respect to trade and other receivables, credit risk is controlled by the application of credit approval, limit and monitoring procedures. It is the Company's policy that all debtors who wish to trade on credit terms are subject to credit procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Company has no significant concentration risk to a counterparty or group of counterparties.

The aging analyses of financial assets as of December 31 are as follows (amounts in thousands):

2025

	Total	Current	30 days	30 - 60 days	More than 60 days
Cash and cash equivalents*	P2,422,868	P2,422,868	P—	P—	P—
Trade and other receivables	159,829	125,217	28,209	6,002	401
Total	P2,582,697	P2,548,085	P28,209	P6,002	P401

*Excluding cash on hand

2024

	Total	Current	30 days	30 - 60 days	More than 60 days
Cash and cash equivalents*	P9,977,151	P9,977,151	P—	P—	P—
Trade and other receivables	410,235	218,267	607	13,108	178,253
Total	P10,387,386	P10,195,418	P607	P13,108	P178,253

*Excluding cash on hand

Liquidity risk

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

In managing its short-term fund requirements, the Company's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term borrowings. With regard to its long-term financing requirements, the Company's policy is that not more than 25% of long-term borrowings should mature in any 12-month period.

The financial assets that will be principally used to settle the financial liabilities presented in the following table are from cash and cash equivalents amounting to P2.4 billion and P10.0 billion as of December 31, 2025 and 2024, respectively, and trade and other receivables amounting to P159.8 million and P410.2 million as of December 31, 2025 and 2024, respectively. Cash and cash equivalents can be withdrawn anytime while trade and other receivables are expected to be collected/realized within one year.



The following tables summarize the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of December 31 (amounts in thousands):

2025

	Total Carrying Value	Contractual undiscounted payments				
		Total	On Demand	Less than 1 year	1 to 5 years	More than 5 years
Financial liabilities:						
Short-term loan	P24,500,000	P24,641,000	P—	P24,641,000	P—	P—
Trade and other payables*	1,958,403	1,958,403	—	1,958,403	—	—
Advances from related party	2,000,000	2,028,750	—	2,028,750	—	—
Long-term debts	75,674,917	92,336,651	—	12,108,543	67,815,358	12,412,750
Lease liabilities	908,580	1,413,700	—	70,135	302,221	1,041,344
Total	P105,041,900	P122,378,504	P—	P40,806,831	P68,117,579	P13,454,094

*Excluding output VAT, withholding tax and other statutory liabilities

2024

	Total Carrying Value	Contractual undiscounted payments				
		Total	On Demand	Less than 1 year	1 to 5 years	More than 5 years
Financial liabilities:						
Trade and other payables*	P720,406	P720,406	P—	P720,406	P—	P—
Advances from related party	6,000,000	6,000,000	—	6,000,000	—	—
Long-term debts	53,790,380	61,056,219	—	7,948,656	53,107,563	—
Lease liabilities	925,407	1,482,275	—	45,593	427,827	1,008,855
Derivative liability	160,977	160,977	—	160,977	—	—
Total	P61,597,170	P69,419,877	P—	P14,875,632	P53,535,390	P1,008,855

*Excluding output VAT, withholding tax and other statutory liabilities

Market Risk

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

Foreign exchange risk

The foreign exchange risk of the Company pertains significantly to its foreign currency denominated obligations. To manage its foreign exchange risk, stabilize cash flows and improve investment and cash flow planning, the Group enters into foreign currency forward contracts aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on financial performance and cash flows.

Presented below are the Company's foreign currency denominated financial assets and liabilities as of December 31, 2025 and 2024, translated to Philippine Peso:

	2025		2024	
	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
Financial asset:				
Cash and cash equivalents	\$1,274,993	P74,956,818	\$120,880,118	P6,992,310,448



The exchange rate for December 31, 2025 and 2024 is ₱58.79:US\$1 and ₱57.845:US\$1, respectively. As a result of the translation of these foreign currency denominated liability, the Company reported net unrealized foreign exchange gain of ₱4.7 million gain and ₱32.5 million loss in 2025 and 2024, respectively.

The following tables demonstrate the sensitivity to a reasonable possible change in the US dollar exchange rates, with all other variables held constant, of the Company's income before income tax as of December 31, 2025 and 2024 (amounts in thousands).

	Increase (decrease) in US dollar	Effect on income before tax
2025		
US dollar-denominated accounts	5%	₱3,748
US dollar-denominated accounts	-5%	(3,748)
2024		
US dollar-denominated accounts	5%	₱349,616
US dollar-denominated accounts	-5%	(349,616)

There is no other impact on the Company's equity other than those already affecting the parent company statements of income.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flow of financial instrument will fluctuate because of the changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term debt with a floating interest rate and to its derivative asset.

The Company's policy is to manage its interest cost using effective hedging derivatives subject to BOD approval.

As of December 31, 2025, the Company has no long term debt with floating interest rate.

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

	2025	2024	2023
Short-term loans (see Note 11)	₱1,576,031,167	₱—	₱—
Long term debts (see Note 11)	3,847,988,119	3,069,105,055	2,647,103,266
Lease liabilities (see Note 19)	56,929,007	24,781,738	2,059,805
Other obligations	413,066,287	118,743,112	116,084,385
	₱5,894,014,580	₱3,212,629,905	₱2,765,247,456



Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company considers equity presented in the parent company balance sheets as its core capital.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. Its policy is to keep the gearing ratio at 70% or below. The Company determines net debt as the sum of interest-bearing short-term and long-term loans less cash and short-term deposits.

	2025	2024
Short-term loans (Note 11)	₱24,500,000,000	₱-
Long-term debts (Note 11)	75,674,917,247	53,790,380,430
Cash and cash equivalents (Note 4)	(2,423,306,484)	(9,978,716,980)
Net debt (a)	97,751,610,763	43,811,663,450
Equity	52,065,492,227	61,115,894,365
Equity and net debt (b)	₱149,817,102,990	₱104,927,557,815
Gearing ratio (a/b)	65.25%	41.75%

Part of the Company's capital management is to ensure that it meets financial covenants attached to long-term borrowings. Breaches in meeting the financial covenants would permit the banks to immediately call loans and borrowings. The Company is in compliance with the financial covenants attached to its long-term debts as of December 31, 2025 and 2024 (see Note 11).

No changes were made in the objectives, policies or processes during the years ended December 31, 2025, 2024 and 2023.

18. Financial Instruments

Fair Value of Financial Instruments

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

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



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

	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Long-term debts	₱75,674,917	₱81,672,242	₱53,790,380	₱50,810,882
Lease liabilities	908,580	845,164	925,407	823,482
	₱76,583,497	₱82,517,406	₱54,715,787	₱51,634,364

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

Cash and cash equivalents, trade and other receivables, trade and other payables, short-term loans and advances from related party

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, short-term loans and advances from related party approximate fair values due to the relatively short-term maturity of these financial instruments.

Long-term debts

The fair value of long-term debt is based on the discounted value of future cash flows using the applicable rates for similar types of loans. Discount rates used range from 7.42% to 7.63% in 2025 and 7.39% to 7.44% in 2024.

Lease liabilities

The fair values are computed using Level 3 of the fair value hierarchy and are based on the discounted value of expected future cash flows using the applicable credit-adjusted risk-free rates of 7.42% to 7.63% and 7.41% in 2025 and 2024, respectively.

Derivative Financial Instruments

The fair value of forward contracts is calculated by reference to prevailing interest rate differential and spot exchange rate as of valuation date (Level 2), taking into account its remaining term to maturity. The fair value of the IRS and interest rate cap are determined by generally accepted valuation techniques with reference to observable market data such as interest rates.

Dollar Hold

In 2024, certain USD-denominated cash and cash equivalents in various banks aggregating to \$64.4 million are designated as hedging instrument for the foreign currency risk of the \$64.4 million portion of \$712.3 million highly probable forecasted acquisition.

There is an economic relationship between the hedged item and the hedging instrument since the critical terms of the forecasted acquisition costs and the USD-denominated cash and cash equivalents (notional amount and currency denomination) are matched. The hedge ratio is 1:1 as the notional amount of the hedging instrument exactly matches the notional amount of the hedged portion of the USD-denominated forecasted acquisition costs.



A possible source of ineffectiveness could be the impact of the time value of money due to the timing of the highly probable forecasted acquisition. Nonetheless, since the expected acquisition is highly probable within the next twelve months, the impact of the time value of money might be considered insignificant.

Foreign currency forward contracts

In 2024, the Company entered into foreign currency forward contracts with counterparty banks to manage foreign currency risks associated with foreign currency-denominated infusion. The notional amount of the forward contract is \$330.0 million (₱19.3 billion).

The following is the maturity analysis of the notional amount and the corresponding average forward rate (amounts in thousands):

As of December 31, 2024

	Maturity					Total
	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	More than 2 years	
NDF - Derivative liability						
Notional amount	₱64,452,413	₱—	₱—	₱—	₱—	₱64,452,413
Average forward rate	55.610 - 57.642	—	—	—	—	
NDF - Derivative asset						
Notional amount	330,000,000	—	—	—	—	330,000,000
Average forward rate	58.108 - 59.103	—	—	—	—	

As of December 31, 2024

	Carrying amount	Change in fair value	Total hedging loss recognized in other income (charges)
Dollar Hold - Derivative asset	₱64,366,949	₱64,366,949	₱64,366,949
Forwards - Derivative liability	(160,976,360)	(160,976,360)	(160,976,360)
	(₱96,609,411)	(₱96,609,411)	(₱96,609,411)

The changes in the fair value of derivatives designated as cash flow hedges were deferred in equity under "Cash flow hedge reserve." The changes in the fair value of derivatives designated as fair value hedge is recognized in the statement of income. As of December 31, 2025, there were no outstanding foreign currency forward contracts.

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

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



For the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements were made.

19. Lease Agreements

a. Operating Lease Agreement with Manta Equities, Inc. (MEI)

The Company entered into an operating lease agreement with MEI for its use of administrative office space and parking space for a period of ten (10) years from April 1, 2013 to May 31, 2023 and nine (9) years and three (3) months from and March 1, 2014 to May 31, 2023, respectively. Both lease contracts have an escalation rate of 5.0% per annum.

The Company entered additional operating lease agreement with MEI in 2020 for use of administrative office space and parking space for a period of three (3) years and five (5) months from January 1, 2020 to May 31, 2023. The lease contract has an escalation rate of 5.0% per annum.

In 2023, the Company renewed the lease with MEI for the use of administrative office and parking space for a period of three (3) years from June 1, 2023 to May 31, 2026. The lease contract has an escalation rate of 5.0% per annum.

In 2025, the Company terminated the lease with MEI. The termination resulted to a loss amounting to ₱4.5 million.

b. Operating Lease Agreement with Ayala Land, Inc. (ALI)

The Company entered into an operating lease agreement with ALI for its use of administrative office space and parking space for a period of 16 years from August 1, 2024 to July 31, 2040. The lease contract has an escalation of 3.0% per year.

The Company also has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions of these leases.

Set out below, are the carrying amounts of the Company's lease liabilities and the movements during the years ended December 31, 2025 and 2024:

	2025	2024
Balance at beginning of year	₱925,406,613	₱51,480,684
Additions	–	873,681,144
Interest expense	56,929,007	24,781,738
Payments	(75,835,552)	(24,536,953)
Termination	(19,389,525)	–
Adjustment	21,469,338	–
	908,579,881	925,406,613
Less current portion	79,752,402	19,883,034
	₱828,827,479	₱905,523,579



Set out below, are the amounts recognized in the parent company statements of income for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Amortization expense of right-of-use assets	₱66,273,407	₱46,193,884	₱18,396,820
Interest expense on lease liabilities	56,929,007	24,781,738	2,059,805
Rent expense - short-term leases	22,664,046	7,406,002	3,704,750
Loss on lease termination	4,531,436	—	—
	₱150,397,896	₱78,381,624	₱24,161,375



20. Note to Statements of Cash Flows

The following are the cash flow movements of the Company's financing liabilities:

	January 1, 2025	Net cash flows	Non-cash Changes					December 31, 2025
			Dividend declaration	Amortized deferred financing costs	Foreign exchange movement	Interest expense	Others	
Lease liability	P925,406,613	(P75,835,552)	P—	P—	P—	P56,929,007	P2,079,813	P908,579,881
Long-term interest-bearing loans	53,790,380,430	21,737,512,052	—	147,024,765	—	—	—	75,674,917,247
Short-term loan	—	24,500,000,000	—	—	—	—	—	24,500,000,000
Interest on loans and borrowings	494,988,309	(5,341,429,873)	—	—	—	5,424,019,286	266,041,525	843,619,247
Advances from a related party	6,000,000,000	(4,000,000,000)	—	—	—	—	—	2,000,000,000
Dividend payable	2,739,453	(16,933,257,980)	16,933,757,621	—	—	—	—	3,239,094
Total liabilities from financing activities	P61,213,514,805	P19,886,988,647	P16,933,757,621	P147,024,765	P—	P5,480,948,293	P268,121,338	P103,930,355,469

	January 1, 2024	Net cash flows	Non-cash Changes					December 31, 2024
			Dividend declaration	Amortized deferred financing costs	Foreign exchange movement	Interest expense	Others	
Lease liability	P51,480,684	(P24,536,953)	P—	P—	P—	P24,781,738	P873,681,144	P925,406,613
Long-term interest-bearing loans	53,739,157,504	(50,000,000)	—	101,222,926	—	—	—	53,790,380,430
Interest on loans and borrowings	304,657,609	(2,896,294,541)	—	—	—	3,069,105,055	17,520,186	494,988,309
Advances from a related party	—	6,000,000,000	—	—	—	—	—	6,000,000,000
Dividend payable	1,479,567	(16,572,205,020)	16,573,464,906	—	—	—	—	2,739,453
Total liabilities from financing activities	P54,096,775,364	(P13,543,036,514)	P16,573,464,906	P101,222,926	P—	P3,093,886,793	P891,201,330	P61,213,514,805



21. Supplementary Information Required Under Revenue Regulations (RR) 15-2010

The Company also reported and/or paid the following types of taxes for the year:

VAT

The Company's sales are subject to output value added tax (VAT) while its purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

i. Net Receipts and Output VAT declared in the Company's VAT returns in 2025

	Net Sales/ Receipts	Output VAT
Taxable Sales:		
Sales of services	₱1,797,848,174	₱201,375,673

ii. Input VAT for 2025

Balance at January 1	₱—
Current year's domestic purchases/payments for:	
Goods other than for resale or manufacture	8,779,742
Capital goods not subject to amortization	5,361,888
Services lodged under the other accounts	205,643,537
	219,785,167
Claims for tax credit/refund and other adjustments	(201,375,673)
Balance at December 31	₱18,409,494

Other taxes and licenses

Taxes and licenses, local and national, include real estate taxes, licenses and permit fees for 2025:

Documentary stamp taxes (DST)	₱57,524,211
License and permit fees	15,443,083
Fringe benefit taxes	13,618,016
Others	180,810
	₱86,766,120

Withholding taxes

Final withholding taxes	₱1,286,243,086
Withholding taxes on compensation and benefits	475,734,911
Expanded withholding taxes	154,642,298
Withholding VAT	16,283,084
	₱1,932,903,379

Tax Assessment and Cases

The Company has no pending tax cases outside of the administration of the BIR as of December 31, 2025.





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/messaging@sec.gov.ph



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Company Information

SEC Registration No.: C199800134

Company Name: ABOITIZ POWER CORPORATION

Industry Classification: E40100

Company Type: Stock Corporation

Document Information

Document ID: OST103302026811142754

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2025

Submission Type: Consolidated

Remarks: None

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

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C 1 9 9 8 0 0 1 3 4

COMPANY NAME

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

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

1 1 F & 1 2 F A y a l a T r i a n g l e G a r d e
n s T o w e r 2 , P a s e o d e R o x a s c o r
n e r M a k a t i A v e n u e , B e l - A i r 1 2 0
9 , C i t y o f M a k a t i , N C R

Form Type

A A C F S

Department requiring the report

C F D

Secondary License Type, If Applicable

- N A -

COMPANY INFORMATION

Company's Email Address

www.aboitzpower.com

Company's Telephone Number

(02) 8886-2800

Mobile Number

None

No. of Stockholders

597

Annual Meeting (Month / Day)

April 28

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Email Address

Racquel Bustamante

racquel.bustamante@aboitzpower.com

Telephone Number/s

(02) 8886-2800

Mobile Number

Not Available

CONTACT PERSON'S ADDRESS

11F & 12F Ayala Triangle Gardens Tower Z, Paseo de Roxas cor. Makati Avenue, Bel-Air 1209, City of Makati, NCR, Philippines

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.

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 of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.





ABOITIZ POWER CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Aboitiz Power Corporation** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended **December 31, 2025, 2024, and 2023** in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the 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.

A black rectangular box redacting the signature of Sabin M. Aboitiz.

SABIN M. ABOITIZ
Chairman of the Board

A black rectangular box redacting the signature of Daniel C. Aboitiz.

DANIEL C. ABOITIZ
President & Chief Executive Officer

A black rectangular box redacting the signature of Juan Alejandro A. Aboitiz.

JUAN ALEJANDRO A. ABOITIZ
Senior Vice President /Chief Financial Officer/Corporate Information Officer

Signed this
5th day of March 2026

Republic of the Philippines)
MAKATI CITY) S.S.

Before me, a notary public in and for the city named above, personally appeared:

Name	Passport	Date/Place Issued
SABIN M. ABOITIZ	[REDACTED]	[REDACTED]
DANEL C. ABOITIZ	[REDACTED]	[REDACTED]
JUAN ALEJANDRO A. ABOITIZ	[REDACTED]	[REDACTED]

who are personally known to me and to me known to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this 26 March 2026.

Doc. No. 371;
Page No. 76;
Book No. VI;
Series of 2026



[REDACTED]

ATTY. DANIELLE SOPHIA B. GARDUNO
Notary Public for Makati City
Notarial Commission No: M-489 (2025-2026)
Until December 31, 2026
Ayala Triangle Gardens Tower 2, Paseo De Roxas
corner Makati Avenue, Makati City
Roll No: 81084, Admitted to the Bar 21 May 2022
PTR No: MKT10768275, 05 January 2026, Makati City
IBP No: 572602, 26 December 2025, Makati Chapter
MCLE Compliance No: VIII-0038885

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Ayala Triangle Gardens Tower 2,
Paseo de Roxas corner, Makati Avenue,
Makati City, 1226 Metro Manila, Philippines

Opinion

We have audited the consolidated financial statements of Aboitiz Power Corporation and its subsidiaries (the Group), which comprise the consolidated balance sheets as at December 31, 2025 and 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's 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), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of financial statements of public interest entities 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment Testing of Goodwill

Under PFRS Accounting Standards, the Group is required to annually test the amount of goodwill for impairment. As of December 31, 2025, the goodwill attributable to cash-generating unit (CGU) of GNPowerr Mariveles Energy Center Ltd. Co. amounted to ₱26.57 billion or 4% of total consolidated assets, which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to estimation uncertainty, specifically discount and growth rates, revenue assumptions, and material price inflation.

The Group's disclosures about goodwill are included in Note 13 to the consolidated financial statements.

Audit Response

We involved our internal specialist in assessing the methodologies and assumptions used. We compared the key assumptions used, such as growth rate and revenue assumptions against the historical performance of the CGU, industry outlook and other relevant external data. We tested the parameters used in the determination of the discount rates against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of goodwill.

Revenue Recognition of Distribution Utilities

The distribution utilities' revenue from the sale of electricity amounting to ₱60.2 billion for the year ended December 31, 2025 accounts for 30% of the Group's consolidated revenues and is material to the Group. This matter is significant to the audit because the revenue recognized depends on the electric consumption captured, the rates applied across different customers, and the systems involved in the billing process. Electric consumption captured is based on the meter readings taken on various dates for the different types of customers (i.e., industrial, commercial, and residential customers) within the franchise areas of operations of the distribution utilities.

The Group's disclosures related to this matter are provided in Notes 3 and 21 to the consolidated financial statements.



Audit Response

We obtained an understanding and evaluated the design and tested the controls over the billing and revenue process which includes the capture and accumulation of meter data in the billing system and calculation of billed amounts, and uploading of billed amounts from the billing system to the financial reporting system. We performed a test calculation of the rates using the Energy Regulatory Commission-approved rates and formulae, then compared them with the rates used in billing statements.

Accounting for Investment in Joint Venture

As disclosed in Note 10 to the consolidated financial statements, on January 27, 2025, Therma NatGas Power Inc., a wholly owned subsidiary of the Company, together with Meralco PowerGen Corporation, completed an investment agreement with the parties holding 40% and 60% interests in Chromite Gas Holdings, Inc. ("CGHI"), respectively. CGHI contemporaneously completed the acquisition of a 67% stake in South Premiere Power Corporation, Excellent Energy Resources, Inc., Linseed Field Corporation and Ilijan Primeline Industrial Estate Corporation.

The Company accounted for its interest in CGHI as an investment in a joint venture in accordance with PFRS 11, *Joint Arrangements*. In 2025, the fair values of the share in net assets acquired and the related purchase price allocation were finalized.

We considered the accounting for this acquisition to be a key audit matter due to the significance of the amounts involved and the significant management judgment and estimation required in determining the fair values of the share in net assets acquired, particularly relating to the fair values of acquired property and equipment and intangible assets as at the acquisition date, based on the information available.

Audit Response

We reviewed the share purchase agreements and other related contracts covering the acquisition of interest and assessed whether the acquisition has been appropriately accounted for. We reviewed the purchase price allocation and evaluated management's basis for determining the fair values of the share in net assets acquired using information available as of the acquisition date. We assessed the competence, capabilities, and objectivity of the external appraiser engaged by management to prepare the appraisal reports used in the purchase price allocation, by considering their qualifications, relevant experience and reporting responsibilities. We involved our internal specialist in evaluating the valuation methodologies and key assumptions used in determining the fair values of the acquired property and equipment and intangible assets. In addition, we assessed the adequacy of the related disclosures in Note 10 to the consolidated financial statements.



Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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 Accounting Standards, 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.

Auditor's 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 auditor's 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 PSAs 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 PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. 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 auditor's 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 auditor's 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jhoanna Feliza C. Go.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go

Partner

CPA Certificate No. [REDACTED]

Tax Identification No. [REDACTED]

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-103-2025, October 1, 2025, valid until September 30, 2028

PTR No. 10765055, January 2, 2026, Makati City

March 5, 2026



ABOITIZ POWER CORPORATION AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS**

(Amounts in Thousands)

	December 31, 2025	December 31, 2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	₱58,932,061	₱56,759,297
Trade and other receivables (Note 6)	38,694,532	36,593,245
Inventories (Note 7)	13,238,116	14,251,718
Derivative assets (Note 34)	266,639	314,646
Other current assets (Note 8)	15,858,181	15,107,447
Total Current Assets	126,989,529	123,026,353
Noncurrent Assets		
Investments and advances (Note 10)	159,444,080	95,930,192
Property, plant and equipment (Notes 12 and 35)	235,588,441	220,158,293
Intangible assets (Note 13)	31,835,831	51,859,795
Derivative assets - net of current portion (Note 34)	90,989	—
Net pension assets (Note 27)	28,144	78,304
Deferred income tax assets (Note 29)	1,308,002	1,333,484
Other noncurrent assets (Note 14)	67,512,836	25,229,646
Total Noncurrent Assets	495,808,323	394,589,714
TOTAL ASSETS	₱622,797,852	₱517,616,067
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Note 16)	₱80,008,900	₱25,035,435
Current portions of:		
Long-term debts (Note 17)	26,651,906	16,465,260
Lease liabilities (Note 35)	304,453	170,877
Long-term obligation on power distribution system	40,000	40,000
Derivative liabilities (Note 34)	70,599	229,918
Trade and other payables (Note 15)	48,802,084	35,706,641
Income tax payable	1,077,739	1,337,864
Total Current Liabilities	₱156,955,681	₱78,985,995

(Forward)



	December 31, 2025	December 31, 2024
Noncurrent Liabilities		
Noncurrent portions of:		
Long-term debts (Note 17)	₱220,887,558	₱197,254,006
Lease liabilities (Note 35)	4,674,069	4,275,016
Long-term obligation on power distribution system	28,560	57,238
Derivative liabilities - net of current portion (Note 34)	—	3,698
Customers' deposits (Note 18)	10,753,670	9,515,891
Decommissioning liability (Note 19)	5,486,345	5,259,205
Deferred income tax liabilities (Note 29)	5,691,342	5,478,492
Net pension liabilities (Note 27)	689,037	889,844
Other noncurrent liabilities (Note 10)	2,991,416	—
Total Noncurrent Liabilities	251,201,997	222,733,390
Total Liabilities	408,157,678	301,719,385
Equity Attributable to Equity Holders of the Parent		
Paid-in capital (Note 20a)	19,947,498	19,947,498
Share in other comprehensive income of associates and joint ventures (Note 10)	2,365,740	1,892,252
Cumulative translation adjustments (Note 34)	3,025,568	8,921,693
Cash flow hedge reserve (Note 34)	248,243	65,221
Actuarial losses on defined benefit plans (Note 27)	(1,085,266)	(1,212,778)
Equity reserve	(6,124,735)	(6,212,785)
Treasury stock - at cost (Note 20)	(4,891,831)	(4,891,831)
Retained earnings (Note 20b)		
Appropriated	11,900,000	11,900,000
Unappropriated (Notes 10 and 20c)	175,339,124	172,822,755
	200,724,341	203,232,025
Non-controlling Interests	13,915,833	12,664,657
Total Equity (Note 20)	214,640,174	215,896,682
TOTAL LIABILITIES AND EQUITY	₱622,797,852	₱517,616,067

See accompanying Notes to Consolidated Financial Statements.



ABOITIZ POWER CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME**

(Amounts in Thousands, Except Earnings Per Share Amounts)

	Years Ended December 31		
	2025	2024	2023
OPERATING REVENUES			
Sale of power (Notes 21 and 32):			
Generation	₱92,451,548	₱93,183,493	₱106,795,878
Distribution	60,199,090	56,994,259	53,362,657
Retail electricity supply	42,785,106	45,868,950	46,123,403
Interest income on concession contract asset (Note 14)	1,088,353	1,185,291	716,218
Technical, management and other fees (Note 32)	1,955,183	260,264	101,741
OPERATING REVENUES	198,479,280	197,492,257	207,099,897
OPERATING EXPENSES			
Cost of purchased power (Notes 22 and 32)	75,079,795	68,144,387	71,460,870
Cost of generated power (Note 23)	40,254,593	47,128,804	63,972,900
Depreciation and amortization (Notes 12, 13 and 35)	13,295,514	12,538,419	13,109,562
General and administrative (Note 24)	15,600,137	13,976,588	13,109,311
Operations and maintenance (Note 25)	16,743,533	14,509,147	13,662,175
	160,973,572	156,297,345	175,314,818
FINANCIAL INCOME (EXPENSES)			
Interest income (Notes 5 and 32)	2,145,216	1,974,244	1,667,278
Interest expense and other financing costs (Notes 16, 17, 33 and 35)	(17,987,956)	(14,600,723)	(14,161,646)
	(15,842,740)	(12,626,479)	(12,494,368)
OTHER INCOME			
Share in net earnings of associates and joint ventures (Note 10)	19,369,484	15,693,423	19,817,774
Reversal of (provision for) impairment losses on property, plant and equipment, goodwill and other asset (Notes 12 and 13)	(13,701,152)	367,427	(220,000)
Other income - net (Note 28)	1,749,576	1,313,663	4,853,814
	7,417,908	17,374,513	24,451,588
INCOME BEFORE INCOME TAX	29,080,876	45,942,946	43,742,299
PROVISION FOR INCOME TAX (Note 29)	6,619,884	8,212,936	7,276,865
NET INCOME	₱22,460,992	₱37,730,010	₱36,465,434
ATTRIBUTABLE TO:			
Equity holders of the parent	₱19,450,127	₱33,900,184	₱33,101,720
Non-controlling interests	3,010,865	3,829,826	3,363,714
	₱22,460,992	₱37,730,010	₱36,465,434
EARNINGS PER COMMON SHARE (Note 30)			
Basic and diluted, income for the period attributable to ordinary equity holders of the parent	₱2.70	₱4.70	₱4.52

See accompanying Notes to Consolidated Financial Statements.



ABOITIZ POWER CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the parent	₱19,450,127	₱33,900,184	₱33,101,720
Non-controlling interests	3,010,865	3,829,826	3,363,714
	22,460,992	37,730,010	36,465,434
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:</i>			
Movement in cumulative translation adjustments	(6,094,751)	3,443,628	369,718
Movement in cash flow hedges (Note 34)	234,848	280,335	(2,949,939)
Share in movement in cumulative translation adjustment of associates and joint ventures	553,080	1,241,150	(534,264)
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods	(5,306,823)	4,965,113	(3,114,485)
<i>Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:</i>			
Share in net unrealized valuation gain on FVOCI investment of an associate	12,147	—	—
Share in actuarial loss on defined benefit plans of associates and joint ventures, net of tax	(91,739)	—	(34,805)
Actuarial gain (loss) on defined benefit plans, net of tax	117,132	31,920	(232,578)
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods	37,540	31,920	(267,383)
Total other comprehensive income (loss) for the year, net of tax	(5,269,283)	4,997,033	(3,381,868)
TOTAL COMPREHENSIVE INCOME	₱17,191,709	₱42,727,043	₱33,083,566
ATTRIBUTABLE TO:			
Equity holders of the parent	₱14,338,024	₱38,704,467	₱29,730,061
Non-controlling interests	2,853,685	4,022,576	3,353,505
	₱17,191,709	₱42,727,043	₱33,083,566

See accompanying Notes to Consolidated Financial Statements.



ABOITIZ POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Thousands, Except Dividends Per Share Amounts)

	Attributable to Equity Holders of the Parent								Retained Earnings (Note 20b)		Total Attributable to Equity Holders of the Parent	Non- controlling Interests	Total
	Paid-in Capital (Note 20a)	Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures (Note 10)	Cumulative Translation Adjustments (Note 34)	Cash Flow Hedge Reserve (Note 34)	Actuarial Losses on Defined Benefit Plans (Note 27)	Equity Reserve	Treasury stock (Note 20)	Appropriated	Unappropriated				
Balances at January 1, 2025	₱19,947,498	₱1,892,252	₱8,921,693	₱65,221	(₱1,212,778)	(₱6,212,785)	(₱4,891,831)	₱11,900,000	₱172,822,755	₱203,232,025	₱12,664,657	₱215,896,682	
Net income for the year	—	—	—	—	—	—	—	—	19,450,127	19,450,127	3,010,865	22,460,992	
Other comprehensive income (loss)													
Share in other comprehensive loss of associates and joint ventures	—	473,488	—	—	—	—	—	—	—	473,488	—	473,488	
Movement in cumulative translation adjustments	—	—	(5,896,125)	—	—	—	—	—	—	(5,896,125)	(198,626)	(6,094,751)	
Movement in cash flow hedges	—	—	—	183,022	—	—	—	—	—	183,022	51,826	234,848	
Actuarial gains (losses) on defined benefit plans, net of tax	—	—	—	—	127,512	—	—	—	—	127,512	(10,380)	117,132	
Total comprehensive income (loss) for the year	—	473,488	(5,896,125)	183,022	127,512	—	—	—	19,450,127	14,338,024	2,853,685	17,191,709	
Acquisition of non-controlling interest (Note 2)	—	—	—	—	—	88,050	—	—	—	88,050	(88,050)	—	
Contribution from non-controlling interest	—	—	—	—	—	—	—	—	—	—	3,813,594	3,813,594	
Cash dividends - ₱2.35 per share (Note 20b)	—	—	—	—	—	—	—	—	(16,933,758)	(16,933,758)	—	(16,933,758)	
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(5,328,053)	(5,328,053)	
Balances at December 31, 2025	₱19,947,498	₱2,365,740	₱3,025,568	₱248,243	(₱1,085,266)	(₱6,124,735)	(₱4,891,831)	₱11,900,000	₱175,339,124	₱200,724,341	₱13,915,833	₱214,640,174	



	Attributable to Equity Holders of the Parent							Retained Earnings (Note 20b)		Total Attributable to Equity Holders of the Parent	Non-controlling Interests	Total
	Paid-in Capital (Note 20a)	Share in Other Comprehensive Income (Loss) of Joint Ventures (Note 10)	Cumulative Translation Adjustments (Note 34)	Cash Flow Hedge Reserve (Note 34)	Actuarial Gains (Losses) on Defined Benefit Plans (Note 27)	Equity Reserve	Treasury stock (Note 20)	Appropriated	Unappropriated			
Balances at January 1, 2024	P19,947,498	P651,102	P5,764,141	(P269,282)	(P1,283,856)	(P7,175,742)	(P4,891,831)	P11,900,000	P155,496,036	P180,138,066	P13,836,299	P193,974,365
Net income for the year	—	—	—	—	—	—	—	—	33,900,184	33,900,184	3,829,826	37,730,010
Other comprehensive income (loss)												
Share in other comprehensive loss of associates and joint ventures	—	1,241,150	—	—	—	—	—	—	—	1,241,150	—	1,241,150
Movement in cumulative translation adjustments	—	—	3,157,552	—	—	—	—	—	—	3,157,552	286,076	3,443,628
Movement in cash flow hedges	—	—	—	334,503	—	—	—	—	—	334,503	(54,168)	280,335
Actuarial gains (losses) on defined benefit plans, net of tax	—	—	—	—	71,078	—	—	—	—	71,078	(39,158)	31,920
Total comprehensive income for the year	—	1,241,150	3,157,552	334,503	71,078	—	—	—	33,900,184	38,704,467	4,022,576	42,727,043
Acquisition of non-controlling interest (Note 10)	—	—	—	—	—	962,957	—	—	—	962,957	(1,595,842)	(632,885)
Cash dividends - P2.30 per share (Note 20b)	—	—	—	—	—	—	—	—	(16,573,465)	(16,573,465)	—	(16,573,465)
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(2,911,123)	(2,911,123)
Return of contributions to non-controlling interests (Note 2)	—	—	—	—	—	—	—	—	—	—	(687,253)	(687,253)
Balances at December 31, 2024	P19,947,498	P1,892,252	P8,921,693	P65,221	(P1,212,778)	(P6,212,785)	(P4,891,831)	P11,900,000	P172,822,755	P203,232,025	P12,664,657	P215,896,682



	Attributable to Equity Holders of the Parent							Retained Earnings (Note 20b)		Total Attributable to Equity Holders of the Parent	Non-controlling Interests	Total
	Paid-in Capital (Note 20a)	Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures (Note 10)	Cumulative Translation Adjustments (Note 34)	Cash Flow Hedge Reserve (Note 34)	Actuarial Gains (Losses) on Defined Benefit Plans (Note 27)	Equity Reserve	Treasury stock (Note 20)	Appropriated	Unappropriated			
Balances at January 1, 2023	₱19,947,498	₱1,220,171	₱5,462,557	₱2,646,733	(₱1,095,697)	(₱7,175,742)	₱—	₱20,060,000	₱127,994,906	₱169,060,426	₱9,072,093	₱178,132,519
Net income for the year	—	—	—	—	—	—	—	—	33,101,720	33,101,720	3,363,714	36,465,434
Other comprehensive income (loss)												
Share in other comprehensive loss of associates and joint ventures	—	(569,069)	—	—	—	—	—	—	—	(569,069)	—	(569,069)
Movement in cumulative translation adjustments	—	—	301,584	—	—	—	—	—	—	301,584	68,134	369,718
Movement in cash flow hedges	—	—	—	(2,916,015)	—	—	—	—	—	(2,916,015)	(33,924)	(2,949,939)
Actuarial losses on defined benefit plans, net of tax	—	—	—	—	(188,159)	—	—	—	—	(188,159)	(44,419)	(232,578)
Total comprehensive income (loss) for the year	—	(569,069)	301,584	(2,916,015)	(188,159)	—	—	—	33,101,720	29,730,061	3,353,505	33,083,566
Reversal of appropriation	—	—	—	—	—	—	—	(8,160,000)	8,160,000	—	—	—
Acquisition of treasury stock (Note 20)	—	—	—	—	—	—	(4,891,831)	—	—	(4,891,831)	—	(4,891,831)
Cash dividends - ₱1.87 per share (Note 20b)	—	—	—	—	—	—	—	—	(13,760,590)	(13,760,590)	—	(13,760,590)
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(1,567,246)	(1,567,246)
Change in non-controlling interests (Note 9)	—	—	—	—	—	—	—	—	—	—	2,977,947	2,977,947
Balances at December 31, 2023	₱19,947,498	₱651,102	₱5,764,141	(₱269,282)	(₱1,283,856)	(₱7,175,742)	(₱4,891,831)	₱11,900,000	₱155,496,036	₱180,138,066	₱13,836,299	₱193,974,365

See accompanying Notes to Consolidated Financial Statements.



ABOITIZ POWER CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱29,080,876	₱45,942,946	₱43,742,299
Adjustments for:			
Share in net earnings of associates and joint ventures (Note 10)	(19,369,484)	(15,693,423)	(19,817,774)
Interest expense and other financing costs (Note 33)	17,987,956	14,600,723	14,161,646
Impairment loss (recovery) on property, plant and equipment, goodwill and other assets (Notes 12 and 13)	13,701,152	(367,427)	220,000
Depreciation and amortization (Notes 12 and 13)	13,295,514	12,538,419	13,109,562
Write-off of project development costs (Notes 13 and 28)	308,180	260,284	204,546
Net unrealized foreign exchange loss	83,009	102,347	190,424
Interest income (Notes 5 and 32)	(2,145,216)	(1,974,244)	(1,667,278)
Unrealized fair valuation gain on derivatives and financial assets at FVTPL	(3,527)	(10,434)	(100,968)
Loss (gain) on disposal/retirement of property, plant and equipment (Note 28)	(18,300)	292,280	(12,634)
Unrealized fair valuation gain on investment property (Note 28)	—	(26,200)	(52,401)
Bargain purchase gain and remeasurement of previously held interest (Note 9)	—	—	(1,745,655)
Operating income before working capital changes	52,920,160	55,665,271	48,231,767
Decrease (increase) in:			
Trade and other receivables	(5,560,353)	(1,690,675)	(2,037,646)
Inventories	1,013,602	(272,336)	4,703,018
Concession asset	799,672	750,491	497,397
Other operating assets	(680,640)	(3,588,022)	5,076,309
Increase (decrease) in:			
Trade and other payables	7,654,434	1,560,452	(1,500,817)
Long-term obligation on power distribution system	(40,000)	(40,000)	(40,000)
Customers' deposits	1,237,779	654,080	717,757
Net cash generated from operations	57,344,654	53,039,261	55,647,785
Income and final taxes paid	(5,622,174)	(6,910,576)	(5,378,806)
Net cash flows from operating activities	51,722,480	46,128,685	50,268,979
CASH FLOWS USED IN INVESTING ACTIVITIES			
Cash dividends received (Note 10)	11,841,673	12,865,861	2,096,560
Payments of deposits (Note 14)	(41,265,562)	—	—
Proceeds from (payments of) other noncurrent assets	(1,585,442)	(3,580,392)	727,213
Interest received	2,287,490	1,891,926	1,635,332
Proceeds from sale of property, plant and equipment	27,603	54,112	282,454
Net collection (payments) of advances (Note 10)	1,450	80,401	(73,040)
Acquisitions through business combinations, net of cash acquired (Note 9)	(357,961)	(17,789)	(570,098)

(Forward)



	Years Ended December 31		
	2025	2024	2023
Additions to:			
Property, plant and equipment (Note 12)	(P27,425,617)	(P22,167,634)	(P17,998,358)
Intangible assets (Note 13)	(1,075,736)	(1,393,402)	(1,193,378)
Additional investments (Note 10)	(46,881,521)	(442,212)	—
Proceeds from redemption of shares (Note 10)	—	6,940	6,940
Net cash flows used in investing activities	(104,433,623)	(12,702,189)	(15,086,375)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term debt (Note 17)	53,206,000	8,850,000	24,250,000
Net availments (payments of) short-term loans (Note 16)	54,951,730	5,002,085	(1,443,615)
Cash dividends paid (Note 20b)	(16,899,372)	(16,551,297)	(13,760,113)
Payments of:			
Long-term debt (Note 17)	(19,546,308)	(10,909,727)	(11,804,649)
Lease liabilities, including interest accretion (Note 35)	(444,914)	(300,333)	(22,680,908)
Interest	(17,491,517)	(13,239,648)	(13,536,378)
Additional (return of) contributions from non-controlling interests (Note 2)	3,813,594	(687,253)	—
Payment of dividends to non-controlling interests	(2,622,297)	(2,911,123)	(1,567,246)
Acquisition of treasury shares (Note 20)	—	—	(4,891,831)
Acquisition of non-controlling interest (Note 9)	—	(632,885)	—
Net cash flows from (used in) financing activities	54,966,916	(31,380,181)	(45,434,740)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,255,773	2,046,315	(10,252,136)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND EQUIVALENTS	(83,009)	174,198	27,278
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	56,759,297	54,538,784	64,763,642
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	P58,932,061	P56,759,297	P54,538,784

See accompanying Notes to Consolidated Financial Statements.



ABOITIZ POWER CORPORATION AND SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Amounts in Thousands, Except Earnings per Share and Exchange Rate Data and When Otherwise Indicated)

1. Corporate Information

Aboitiz Power Corporation (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission on February 13, 1998. The Company is a publicly-listed holding company of the entities engaged in power generation, retail electricity supply and power distribution in the Aboitiz Group. As of December 31, 2025, Aboitiz Equity Ventures, Inc. (AEV; also a publicly-listed entity incorporated in the Philippines) and JERA Asia Private Limited own the Company by 53.09% and 27.57%, respectively. The ultimate parent of the Company is Aboitiz & Company, Inc. (ACO).

The Company's registered office address is in Ayala Triangle Gardens Tower 2 Paseo De Roxas corner Makati Avenue, Bel-Air 1209 City of Makati.

The consolidated financial statements of the Group were approved and authorized for issue by the Board of Directors (BOD) of the Company on March 5, 2026.

2. Group Information

The consolidated financial statements comprise the financial statements of the Company, subsidiaries of the Company and a joint operation that is subject to joint control (collectively referred to as "the Group"; see Note 11). The following are the subsidiaries as of December 31 of each year:

	Nature of Business	Percentage of Ownership					
		2025		2024		2023	
		Direct	Indirect	Direct	Indirect	Direct	Indirect
Aboitiz Renewables, Inc. (ARI) and Subsidiaries	Power generation	100.00	-	100.00	-	100.00	-
AP Renewables, Inc. (APRI)	Power generation	-	100.00	-	100.00	-	100.00
Aboitiz Power Distributed Energy, Inc. (APX1)	Power generation	-	100.00	-	100.00	-	100.00
Aboitiz Power Distributed Renewables, Inc. (APX2)	Power generation	-	100.00	-	100.00	-	100.00
Hedcor, Inc. (HI)	Power generation	-	100.00	-	100.00	-	100.00
Hedcor Sibulan, Inc. (HSI)	Power generation	-	100.00	-	100.00	-	100.00
Hedcor Tudaya, Inc. (HTI)	Power generation	-	100.00	-	100.00	-	100.00
Luzon Hydro Corporation (LHC)	Power generation	-	100.00	-	100.00	-	100.00
Sinag Solar Power Corporation (formerly AP Solar Tiwi, Inc.)*	Power generation	-	100.00	-	100.00	-	100.00
Retensol, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
AP Renewable Energy Corporation*	Power generation	-	100.00	-	100.00	-	100.00
Aseagas Corporation (Aseagas)*	Power generation	-	100.00	-	100.00	-	100.00
Bakun Power Line Corporation*	Power generation	-	100.00	-	100.00	-	100.00
Cleanergy, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
Cordillera Hydro Corporation*	Power generation	-	100.00	-	100.00	-	100.00
Hedcor Benguet, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
Hedcor Bukidnon, Inc. (HBI)	Power generation	-	100.00	-	100.00	-	100.00
Hedcor Kabayan, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
PV Sinag Power, Inc. (PV Sinag)	Power generation	-	100.00	-	100.00	-	100.00
Amihan Power, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
Aboitiz Solar Power, Inc. (ASPI)*	Power generation	-	100.00	-	100.00	-	100.00
Hedcor Manolo Fortich, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
Amihan Frontier Energy, Inc. (formerly Hedcor Mt. Province, Inc.)*	Power generation	-	100.00	-	100.00	-	100.00
Hedcor Sabangan, Inc. (HSAB)	Power generation	-	100.00	-	100.00	-	100.00
Hedcor Tamugan, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
RE Resources, Inc. (formerly Mt. Apo Geopower, Inc.)*	Power generation	-	100.00	-	100.00	-	100.00
Visayas Cleanergy, Inc. (formerly Negron Cuadrado Geopower, Inc. (NCGI))*	Power generation	-	100.00	-	100.00	-	100.00
Tagoloan Hydro Corporation*	Power generation	-	100.00	-	100.00	-	100.00
Luzon Hydro Company Limited*	Power generation	-	100.00	-	100.00	-	100.00
Electricidad, Inc. (formerly La Filipina Electrica, Inc.)*	Power generation	-	100.00	-	100.00	-	100.00
Wind Renewable Energy Corporation*	Power generation	-	100.00	-	100.00	-	100.00

(Forward)



	Nature of Business	Percentage of Ownership					
		2025		2024		2023	
		Direct	Indirect	Direct	Indirect	Direct	Indirect
Maaraw Renewable Energy Corporation*	Power generation	-	100.00	-	100.00	-	100.00
Maaraw Holdings San Carlos, Inc. (MHSCI)	Holding company	-	100.00	-	100.00	-	100.00
San Carlos Sun Power, Inc. (Sacsun)	Power generation	-	100.00	-	100.00	-	100.00
Luzon Alternative Energy Sources, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
Luzon Cleanergy Generation, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
Luzon Cleanergy, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
Maaraw Holdings Bais, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
Mindanao Cleanergy, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
North Luzon Green and Sustainable Energy, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
North Luzon Green Power, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
North Luzon Natural Energy, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
Northern Sun Power, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
Northern Sun Radiance, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
South Cleanergy, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
South Luzon Power Development, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
South Luzon Sustainable Energy, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
Cornerstone Energy Development, Inc.*	Power generation	-	100.00	-	60.00	-	60.00
Cleanergy 1 Power, Inc.*	Power generation	-	100.00	-	100.00	-	-
Cleanergy 2 Power, Inc.*	Power generation	-	100.00	-	100.00	-	-
Cleanergy 3 Power, Inc.*	Power generation	-	100.00	-	100.00	-	-
Cleanergy 4 Power, Inc.*	Power generation	-	100.00	-	100.00	-	-
Cleanergy 5 Power, Inc.*	Power generation	-	100.00	-	100.00	-	-
Cleanergy 6 Power, Inc.*	Power generation	-	100.00	-	100.00	-	-
Cleanergy 7 Power, Inc.*	Power generation	-	100.00	-	100.00	-	-
Cleanergy 8 Power, Inc.*	Power generation	-	100.00	-	100.00	-	-
Cleanergy 1, Inc.*	Power generation	-	100.00	-	100.00	-	-
Cleanergy 2 Inc.*	Power generation	-	100.00	-	100.00	-	-
El Faro 1 Inc.*	Power generation	-	100.00	-	-	-	-
El Faro 2 Inc.*	Power generation	-	100.00	-	-	-	-
El Faro 3 Inc.*	Power generation	-	100.00	-	-	-	-
El Faro 4 Inc.*	Power generation	-	100.00	-	-	-	-
El Faro 5 Inc.*	Power generation	-	100.00	-	-	-	-
Hiraya 1, Inc.*	Power generation	-	100.00	-	-	-	-
Hiraya 2, Inc.*	Power generation	-	100.00	-	-	-	-
Hiraya 3, Inc.*	Power generation	-	100.00	-	-	-	-
Hiraya 4, Inc.*	Power generation	-	100.00	-	-	-	-
Hiraya 5, Inc.*	Power generation	-	100.00	-	-	-	-
Hiraya Verde 1 Inc.*	Power generation	-	100.00	-	-	-	-
Hiraya Verde 2 Inc.*	Power generation	-	100.00	-	-	-	-
Hiraya Verde 3 Inc.*	Power generation	-	100.00	-	-	-	-
Hiraya Verde 4 Inc.*	Power generation	-	100.00	-	-	-	-
Hiraya Verde 5 Inc.*	Power generation	-	100.00	-	-	-	-
Verdetek 1 Inc.*	Power generation	-	100.00	-	-	-	-
Verdetek 2 Inc.*	Power generation	-	100.00	-	-	-	-
Verdetek 3 Inc.*	Power generation	-	100.00	-	-	-	-
Verdetek 4 Inc.*	Power generation	-	100.00	-	-	-	-
Inner Channel Wind Power Corporation (ICWPC)*	Power generation	-	100.00	-	100.00	-	-
Ubay Solar Corporation*	Power generation	-	100.00	-	-	-	-
Hydro Electric Development Corporation*	Power generation	-	99.97	-	99.97	-	99.97
Cleanergy 9 Power, Inc.**	Power generation	-	64.00	-	100.00	-	-
South Luzon Energy Solutions, Inc.*	Power generation	-	60.00	-	100.00	-	100.00
Therma Power, Inc. (TPI) and Subsidiaries	Power generation	100.00	-	100.00	-	100.00	-
Mindanao Sustainable Solutions, Inc.*	Services	-	100.00	-	100.00	-	100.00
Therma Luzon, Inc. (TLU)	Power generation	-	100.00	-	100.00	-	100.00
Therma Marine, Inc. (Therma Marine)	Power generation	-	100.00	-	100.00	-	100.00
Therma Mobile, Inc. (Therma Mobile)	Power generation	-	100.00	-	100.00	-	100.00
Therma South, Inc. (TSI)	Power generation	-	100.00	-	100.00	-	100.00
Therma Power-Visayas, Inc. (TPVI)	Power generation	-	100.00	-	100.00	-	100.00
Therma Central Visayas, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
Therma Subic, Inc.*	Power generation	-	100.00	-	100.00	-	100.00
Therma Mariveles Holdings, Inc.	Holding company	-	100.00	-	100.00	-	100.00
Therma NatGas Power Inc.*	Power generation	-	100.00	-	100.00	-	-
Therma Pagbilao Power Inc.*	Power generation	-	100.00	-	100.00	-	-
Therma Quezon Energy Inc.*	Power generation	-	100.00	-	100.00	-	-
GNPower Mariveles Energy Center Ltd. Co. (GMEC)	Power generation	-	78.33	-	78.33	-	78.33
Therma Dinginin Holdings, Inc.	Holding company	-	100.00	-	100.00	-	100.00
Therma Visayas, Inc. (TVI)	Power generation	-	80.00	-	80.00	-	80.00
Abovant Holdings, Inc.	Holding company	-	60.00	-	60.00	-	60.00
AbolizPower International Pte. Ltd. (AP Int.)	Holding company	100.00	-	100.00	-	100.00	-
Cleanergy Asia Power Holdings Pte Ltd.	Holding company	-	100.00	-	100.00	-	100.00
AP Lariang Pte Ltd.	Holding company	-	100.00	-	100.00	-	100.00

(Forward)



	Nature of Business	Percentage of Ownership					
		2025		2024		2023	
		Direct	Indirect	Direct	Indirect	Direct	Indirect
Adventpower, Inc. (API) (formerly Aboltiz Energy Solutions, Inc.)	Retail electricity supplier	100.00	-	100.00	-	100.00	-
Adventenergy, Inc. (AI)	Retail electricity supplier	100.00	-	100.00	-	100.00	-
Balamban Enerzone Corporation (BEZ)	Power distribution	100.00	-	100.00	-	100.00	-
Lima Enerzone Corporation (LEZ)	Power distribution	100.00	-	100.00	-	100.00	-
Mactan Enerzone Corporation (MEZ)	Power distribution	100.00	-	100.00	-	100.00	-
Malvar Enerzone Corporation (MVEZ)	Power distribution	100.00	-	100.00	-	100.00	-
Tarlac Enerzone Corporation (TEZ)	Power distribution	100.00	-	100.00	-	-	-
East Asia Utilities Corporation (EAUC)	Power generation	50.00	50.00	50.00	50.00	50.00	50.00
Cotabato Light and Power Company (CLP)	Power distribution	99.94	-	99.94	-	99.94	-
Cotabato Ice Plant, Inc.	Manufacturing	-	100.00	-	100.00	-	100.00
Davao Light & Power Company, Inc. (DLP)	Power distribution	99.93	-	99.93	-	99.93	-
SPI Power Incorporated (SPI) (formerly STEAG State Power, Inc.)	Power generation	85.00	-	85.00	-	69.40	-
Subic Enerzone Corporation (SEZ)	Power distribution	65.00	34.98	65.00	34.98	65.00	34.98
Cebu Private Power Corporation (CPPC)	Power generation	60.00	-	60.00	-	60.00	-
Prism Energy, Inc. (PEI)	Retail electricity supplier	60.00	-	60.00	-	60.00	-
Visayan Electric Company (VECO)	Power distribution	55.26	-	55.26	-	55.26	-
Cell Power Energy Corporation (CPEC)*	Power generation	100.00	-	100.00	-	100.00	-
Potentia Insurance Pte Ltd (PIPL)	Insurance company	100.00	-	100.00	-	-	-
Heritage Light and Power Corporation (HLPC)*	Power distribution	100.00	-	100.00	-	-	-
Orient Light and Power Corporation (OLPC)*	Power distribution	100.00	-	100.00	-	-	-
Peninsula Electric Corporation (PENEC)*	Power distribution	100.00	-	100.00	-	-	-
Coastal Light and Power Inc. (CLPI)*	Power distribution	100.00	-	-	-	-	-
Reef Light and Power Inc. (RLPI)*	Power distribution	100.00	-	-	-	-	-
Valley Light and Power Inc. (VLPI)*	Power distribution	100.00	-	-	-	-	-
Northern Sine Electric, Inc. (NSEI)*	Power distribution	100.00	-	-	-	-	-
PowerPlus Innovation, Inc. (PPI)*	Management services	100.00	-	100.00	-	-	-
A+ Power Services Inc.	Power distribution	-	100.00	-	-	-	-
Pole2Pole Inc. (P2P)	Power distribution	-	100.00	-	-	-	-
Cleanergy 10 Power, Inc. (C10PI)*	Power generation	-	100.00	-	-	-	-
1882 Energy Ventures Incorporated (1882EV)	Holding company	100.00	-	100.00	-	-	-
AP Electric Mobility Inc. (APEMI)	Electric vehicle operation	-	100.00	-	100.00	-	-
Solviva Energy Incorporated (formerly Solviva Energy OPC) (SOLVIVA)	Installation of solar panels	-	100.00	-	100.00	-	-
Powerhouse Innovations Inc.	Technology company	-	100.00	-	-	-	-

* No commercial operations as of December 31, 2025.

** In 2025, ARI sold 36% economic interest to its partners in the Thunder Consortium

All of the foregoing subsidiaries are incorporated and registered with the Philippine SEC and operate in the Philippines except for the following:

Subsidiary	Country of incorporation
AP Int.	Singapore
Cleanergy Asia Power Holdings Pte Ltd.	Singapore
AP Lariang Pte Ltd.	Singapore
PIPL	Singapore
APIBV	Netherlands

Material partly-owned subsidiary

Information of subsidiaries that have material non-controlling interests is provided below:

	2025	2024	2025	2024	2025	2024	2025	2024
	VECO	VECO	TVI	TVI	GMEC	GMEC	SPI	SPI
Summarized balance sheet information								
Current assets	P5,754,241	P5,781,477	P15,538,416	P11,270,761	P12,174,485	P13,950,340	P5,825,470	P5,726,894
Noncurrent assets	17,606,677	15,410,688	30,306,380	27,277,986	33,807,197	34,454,363	7,255,836	8,246,035
Current liabilities	11,887,638	10,051,232	5,463,252	3,445,819	6,238,164	6,374,986	1,939,245	2,072,261
Noncurrent liabilities	4,049,885	3,966,474	23,751,375	18,285,838	25,333,389	27,906,275	2,061,597	2,568,943
Non-controlling interests	3,001,851	2,977,462	3,356,307	3,374,393	813,694	3,560,026	1,410,111	1,461,974

(Forward)



	2025	2024	2025	2024	2025	2024	2025	2024
	VECO	VECO	TVI	TVI	GMEC	GMEC	SPI	SPI
Summarized comprehensive income information								
Profit for the year	₱3,122,413	₱3,441,385	₱1,247,618	₱2,559,307	₱2,891,507	₱4,843,948	₱1,779,414	₱1,340,167
Total comprehensive income	3,122,126	3,441,385	1,247,672	2,550,283	2,860,141	4,572,142	1,797,192	1,351,023
Summarized other financial information								
Profit attributable to non-controlling interests	₱1,367,270	₱1,509,989	₱249,524	₱511,861	₱980,217	₱1,049,282	₱252,737	₱319,489
Dividends paid to non-controlling interests	1,343,706	1,279,972	300,000	200,000	2,705,756	262,693	333,956	801,767
Summarized cash flow information								
Operating	₱4,201,284	₱3,917,948	₱4,394,149	₱5,047,293	₱7,422,862	₱7,417,532	₱3,106,432	₱1,505,484
Investing	(2,467,344)	(1,530,131)	(3,198,830)	(8,457)	(483,835)	(9,349,955)	73,059	1,284,906
Financing	(1,681,094)	(2,798,010)	1,852,288	(4,688,507)	(5,329,998)	(338,973)	276,919	(4,148,038)
Net increase (decrease) in cash and cash equivalents	52,846	(410,193)	3,074,615	350,329	1,575,697	(2,017,514)	315,812	(1,357,648)

In 2025, GMEC also declared dividends to non-controlling interests amounting to ₱2.71 billion which was offset against GMEC's receivables from its partners.

In 2024, non-controlling interests include the return of contributions of other partners of GMEC amounting to ₱687.3 million.

Acquisition of Additional CEDI Interest

In January 2025, the Company acquired the remaining 40% non-controlling interest in CEDI from Mainstream Renewable Power (MRP), which resulted in 100% ownership of CEDI. The transaction was accounted for as an equity transaction.

The excess of the carrying amount over the consideration paid, totaling ₱88.0 million was recognized directly in equity as an adjustment to the equity reserve. The total consideration paid amounted to ₱1.00, while the carrying amount of the non-controlling interest acquired was ₱88.0 million.

Additionally, as part of the transaction, MRP condoned a ₱107 million loan previously extended to CEDI.

Acquisition of Caliraya-Botocan-Kalayaan Hydroelectric Power Plant (CBK HEPP) Complex

On July 4, 2025, the Thunder Consortium consisting of ARI, Electric Power Development Co., Ltd. (J-Power), and Sumitomo Corporation, was declared as the highest-ranking bidder in the bidding process conducted by the Power Sector Assets and Liabilities Management Corporation (PSALM) Privatization Bids and Awards Committee for the privatization of the Caliraya-Botocan-Kalayaan Hydroelectric Power Plant Complex (CBK HEPP Complex). On July 18, 2025, the Consortium received the Notice of Award as the winning bidder. In the same period, ARI sold 5,600 and 160 common shares of its investment in Cleanergy 9 Power Inc. (C9PI) amounting to ₱3.81 billion to Sumitomo Corporation and J-Power, respectively. This resulted in a reduction of ARI's economic interest to 64%.

On August 14, 2025, the Thunder Consortium, through its project company, C9PI, signed the relevant project agreements with PSALM and the National Power Corporation in relation to the Notice of Award issued by PSALM. On November 28, 2025, the Philippine Competition Commission approved the acquisition of the CBK HEPP Complex by the Thunder Consortium.

On December 19, 2025, the Thunder Consortium paid total deposit amounting to ₱41.27 billion presented as other noncurrent asset (see Note 14).



On February 9, 2026, PSALM officially turned over the CBK HEPP Complex in Laguna to the Thunder Consortium. The Group is still in the process of finalizing its assessment on the accounting for the acquisition of the CBK HEPP Complex.

3. Summary of Material Accounting Policy Information

Basis of Preparation

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

The consolidated financial statements provide comparative information in respect of the previous periods.

Statement of Compliance

The consolidated financial statements are prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and a joint operation that is subject to joint control, as of December 31 of each year.

The financial statements of the subsidiaries and its joint operation are prepared for the same reporting year as the Company.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments effective in 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these amendments did not have an impact on the consolidated financial statements of the Group.

- Amendments to Philippine Accounting Standards (PAS) 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

When applying the amendments, an entity cannot restate comparative information.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.



Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. The amendments also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- Annual Improvements to PFRS Accounting Standards - Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.



- **Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter***
The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.
- **Amendments to PFRS 7, *Gain or Loss on Derecognition***
The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.
- **Amendments to PFRS 9**
 - ***Lessee Derecognition of Lease Liabilities***
The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.
 - ***Transaction Price***
The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.
- **Amendments to PFRS 10, *Determination of a 'De Facto Agent'***
The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.
- **Amendments to PAS 7, *Cost Method***
The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

Effective beginning on or after January 1, 2027

- **PFRS 17, *Insurance Contracts***

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts



On December 15, 2021, the Financial and Sustainability Reporting Standards Committee (FSRSC) amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

- *PFRS 18, Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

- *PFRS 19, Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities.

- *Amendments to PAS 21, Translation to a Hyperinflationary Presentation Currency*

The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

- *Amendments to PFRS 10 and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.



Summary of Material Accounting Policy Information

Business Combination and Goodwill

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 pertaining to instruments that represent present ownership interests and entitle the holders to a proportionate share of the net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by PFRS. Acquisition-related costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

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. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized as "bargain purchase gain" in profit or loss.

Goodwill recognized from acquisitions of subsidiaries with the US Dollar as functional currency are translated into the presentation currency at the closing rate at each reporting date. Exchange differences arising from this translation are recognized as an adjustment to Goodwill, and in Other comprehensive income and accumulated in Cumulative translation adjustment in equity.

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 (CGUs) 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.

Impairment of goodwill

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

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, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.



Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of cash-generating units is less than the carrying amount, an impairment loss is recognized.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

External valuers (the valuers) are involved in the periodic valuation of these assets. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management also determines, after discussions with the chosen valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of the investment properties which are required to be re-measured or re-assessed in accordance with the subsidiaries' accounting policies. The management, in coordination with the valuers, also compares each of the changes in the fair value of each property with relevant external sources to determine whether the change is reasonable.



On the re-appraisal year, the management and valuers present the valuation results and the major assumptions used in the valuation to its CFO.

Investments in Associates and Joint Ventures

The Group's investments in its associates and joint ventures are accounted for using the equity method.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Foreign Currency Translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction. Monetary items are units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency. Monetary assets and liabilities, such as cash and cash equivalents, trade and other receivables, short-term loans, long-term debts, and trade and other payables, denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the consolidated statement of income. Non-monetary items, such as inventory, property, plant and equipment, and intangible assets, that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of its subsidiaries: Therma Mariveles Group, Therma Dinginin Group, AboitizPower International Pte. Ltd., AboitizPower International B.V., LHC, SPI Power Incorporated and Potentia Insurance Pte. Ltd., is the United States (US) Dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Group (the Philippine peso) at the rate of exchange ruling at the balance sheet date and their statement of income and statement of comprehensive income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to other comprehensive income as cumulative translation adjustment. Upon disposal of the subsidiary and associate, the deferred cumulative amount recognized in other comprehensive income relating to that particular entity is recognized in the consolidated statement of income.

Inventories

Materials and supplies are valued at the lower of cost and net realizable value (NRV). Cost is determined on moving average method. NRV is the current replacement cost. An allowance for inventory obsolescence is provided for slow-moving, defective or damaged goods based on analyses and physical inspection.

Financial Instruments - Classification and Measurement

Classification of financial assets

Financial assets are classified, at initial recognition, as either:

- subsequently measured at amortized cost;
- fair value through other comprehensive income (OCI); or
- fair value through profit or loss.



Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and the Group's business model for managing the financial assets. The Group classifies its financial assets into the following measurement categories:

- financial assets measured at amortized cost
- financial assets measured at fair value through profit or loss
- financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are reclassified to profit or loss
- financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are not reclassified to profit or loss

Contractual cash flows characteristics

If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Group assesses whether the cash flows from the financial asset represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

In making this assessment, the Group determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model

The Group's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument.

The Group's business model refers to how it manages its financial assets in order to generate cash flows. The Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Group in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.

Financial assets at amortized cost

A financial asset is measured at amortized cost if (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) 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. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the EIR method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in 'Interest income' in the consolidated statement of income and is calculated by applying the EIR to the gross carrying amount of the financial asset, except for (i) purchased or originated credit-impaired financial assets and (ii) financial assets that have subsequently become credit-impaired, where, in both cases, the EIR is applied to the amortized cost of the financial asset. Losses arising from impairment are recognized in 'Provision for credit and impairment losses' in the consolidated statement of income.



The Group's debt financial assets as of December 31, 2025 and 2024 consist of cash in banks, including restricted cash, cash equivalents, trade and other receivables, concession contract asset and the Power Sector Assets and Liabilities Management Corporation (PSALM) deferred adjustment - net of current portion included in "Other noncurrent assets" in the consolidated balance sheets. The Group assessed that the contractual cash flows of its debt financial assets are SPPI and are expected to be held to collect all contractual cash flows until their maturity. As a result, the Group concluded these debt financial assets to be measured at amortized cost.

Financial assets at FVTPL

Financial assets at FVTPL are measured at its fair value unless these are measured at amortized cost or at FVOCI. Included in this classification are equity investments held for trading and debt instruments with contractual terms that do not represent solely payments of principal and interest. Financial assets held at FVTPL are initially recognized at fair value, with transaction costs recognized in the consolidated statement of income as incurred.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, the Group may choose at initial recognition to designate the financial asset at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) that would otherwise arise from measuring financial assets on a different basis.

Trading gains or losses are calculated based on the results arising from trading activities of the Group, including all gains and losses from changes in fair value for financial assets and financial liabilities at FVTPL, and the gains or losses from disposal of financial investments.

The Group's investments in quoted equity securities and in unquoted equity shares are measured at FVTPL as of December 31, 2025 and 2024.

Classification of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are subsequently measured at amortized cost, except for the following:

- financial liabilities measured at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Group retains continuing involvement;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in accordance with PFRS 3.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

- if a host contract contains one or more embedded derivatives; or
- if a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.



The Group's financial liabilities measured at amortized cost as of December 31, 2025 and 2024 include trade and other payables (excluding taxes and fees, output value-added tax (VAT) and unearned revenue), customers' deposits, short-term loans, lease liabilities, long-term obligation on power distribution system, long-term debts, and other noncurrent liabilities and (see Note 33).

Reclassifications of financial instruments

The Group reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the Group and any previously recognized gains, losses or interest shall not be restated. The Group does not reclassify its financial liabilities.

The Group does not reclassify its financial assets when:

- A financial asset that was previously a designated and effective hedging instrument in a cash flow hedge or net investment hedge no longer qualifies as such;
- A financial asset becomes a designated and effective hedging instrument in a cash flow hedge or net investment hedge; and
- There is a change in measurement on credit exposures measured at fair value through profit or loss.

Derivative financial instruments

Initial recognition and subsequent measurement

Derivative financial instruments, including embedded derivatives, are initially recognized at fair value on the date in which a derivative transaction is entered into or bifurcated, and are subsequently remeasured at FVTPL, unless designated as effective hedge. Changes in fair value of derivative instruments not accounted as hedges are recognized immediately in the consolidated statement of income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

An embedded derivative within a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as either at amortized cost or at fair value depending on whether the cash flows of the hybrid contract are solely payments of principal and interest and the assessment of the business model within which the financial asset is held. On the other hand, an embedded derivative with a financial liability or a non-financial host is separated from the host and accounted for as a separate derivative if: its economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

Separated embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modified the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group uses derivative financial instruments, such as foreign currency forward, interest rate swap (IRS) and commodity swap contracts to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

For the purpose of hedge accounting, the Group's hedges are classified as cash flow hedges. Hedges are classified as cash flow hedge when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.



At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

The Group's hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is recognized in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the consolidated statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses foreign currency forward contracts as hedges of its exposure to foreign currency risk in forecast transactions, IRS contracts to manage its floating interest rate exposure on its loans and commodity swap contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to these contracts are recognized in other operating income or expenses as realized gain or loss on derivative instruments.

The Group designated all of the foreign currency forward, IRS and commodity swap contracts as hedging instruments. The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the consolidated statement of income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive must be accounted for depending on the nature of the underlying transaction as described above.



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, and only when:

- the rights to receive cash flows from the asset expires;
- 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 rights 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 retains the contractual rights to receive the cash flows of a financial asset but assumes a contractual obligation to pay those cash flows to one or more entities, the Group treats the transaction as a transfer of a financial asset if the Group:

- has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset;
- is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and
- has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In transactions where the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and it retains control over the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. The extent of the Group's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset. When the Group's continuing involvement takes the form of guaranteeing the transferred asset, the extent of the Group's continuing involvement is the lower of (i) the amount of the asset and (ii) the maximum amount of the consideration received that the Group could be required to repay ('the guarantee amount'). When the Group's continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase. However, in the case of a written put option on an asset that is measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price. When the Group's continuing involvement takes the form of a cash-settled option or similar provision on the transferred asset, the extent of the Group's continuing involvement is measured in the same way as that which results from non-cash settled options.

Modification of contractual cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset. Accordingly the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset.



Financial liabilities

A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability or a part of it are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

Impairment of Financial Assets

The Group recognizes ECL for the following financial assets that are not measured at FVTPL:

- debt instruments that are measured at amortized cost and FVOCI;
- loan commitments; and
- financial guarantee contracts.

No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

Stage 1: 12-month ECL

For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the reporting date are recognized.

Stage 2: Lifetime ECL - not credit-impaired

For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Lifetime ECL - credit-impaired

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

Loss allowances are recognized based on 12-month ECL for debt investment securities that are assessed to have low credit risk at the reporting date. A financial asset is considered to have low credit risk if:

- the financial instrument has a low risk of default,
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and



- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade', or when the exposure is less than 30 days past due.

Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The simplified approach, where changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECL, is applied to 'Trade and other receivables'. The Group has established a provision matrix for customer segments that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Guarantee Contracts and Loan Commitments

Financial guarantees are contracts issued by the Group that require it to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are initially recognized in the financial statements at fair value. Subsequently, these are measured at the higher of:

- the amount of the loss allowance determined in accordance with the ECL model and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of PFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans that can be settled net in cash or by delivering or issuing another financial instrument or that are issued at below-market interest rates.

For loan commitments and financial guarantee contracts, the loss allowance is recognized as a provision. However, for financial instruments that include both a loan and an undrawn commitment (i.e. loan commitment) component where the Group cannot separately identify the expected credit losses on the loan commitment component from those on the loan component, the expected credit losses on the loan commitment should be recognized together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses should be recognized as a provision.

Property, Plant and Equipment

Except for land, property, plant and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value.

Land is stated at cost less any accumulated impairment in value.



Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Category	Estimated Useful Life (in years)
Buildings, warehouses and improvements	10-50
Power plant equipment	2-50
Transmission, distribution and substation equipment:	
Power transformers	30
Poles and wires	20-40
Other components	12-30
Transportation equipment	5-10
Office furniture, fixtures and equipment	2-20
Solar Panels and Electrical equipment	5-25
Meters and laboratory equipment	25
Steam field assets	20-25
Tools and others	2-20

Leasehold improvements are amortized over the shorter of the lease terms and the lives of the improvements ranging from 5 to 15 years.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use) included as part of "Property, plant and equipment" account in the consolidated balance sheet. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Category	Number of years
Land	10-50
Building	2-50
Power plant	38
Equipment and others	2-20

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include



the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Service Concession Arrangements

Public-to-private service concession arrangements where: (a) the grantor controls or regulates what services the entities in the Group must provide with the infrastructure, to whom it must provide them, and at what price; and (b) the grantor controls-through ownership, beneficial entitlement or otherwise-any significant residual interest in the infrastructure at the end of the term of the arrangement, are accounted for under the provisions of Philippine Interpretation International Financial Reporting Interpretations Committee (IFRIC) 12, *Service Concession Arrangements*. Infrastructures used in a public-to-private service concession arrangement for its entire useful life (whole-of-life assets) are within the scope of this Interpretation if the conditions in (a) are met.

This interpretation applies to both: (a) infrastructure that the entities in the Group constructs or acquires from a third party for the purpose of the service arrangement; and (b) existing infrastructure to which the grantor gives the entity in the Group access for the purpose of the service arrangement.

Infrastructures within the scope of this Interpretation are not recognized as property, plant and equipment of the Group. Under the terms of contractual arrangements within the scope of this Interpretation, an entity acts as a service provider. An entity constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time.

An entity recognizes and measures revenue in accordance with PFRS 15, for the services it performs. If an entity performs more than one service (i.e. construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable shall be allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

When an entity provides construction or upgrades services, the consideration received or receivable by the entity is recognized at the stand-alone selling price of the related service. An entity accounts for revenue and



costs relating to construction or upgrade services in accordance with PFRS 15. Revenue from construction contracts is recognized based on the percentage-of-completion method, measured by reference to the percentage of costs incurred to date to estimated total costs for each contract. The applicable entities account for revenue and costs relating to operation services in accordance with PFRS 15.

An entity recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. An entity recognizes an intangible asset to the extent that it receives a right (a license) to charge users of the public service.

When the applicable entities have contractual obligations it must fulfill as a condition of its license (a) to maintain the infrastructure to a specified level of serviceability or (b) to restore the infrastructure to a specified condition before it is handed over to the grantor at the end of the service arrangement, it recognizes and measures these contractual obligations in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, i.e., at the best estimate of the expenditure that would be required to settle the present obligation at the balance sheet date.

Borrowing cost attributable to the construction of the asset if the consideration received or receivable is an intangible asset, is capitalized during the construction phase. In all other cases, borrowing costs are expensed as incurred.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of the acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

Service concession right

The Group's intangible asset - service concession right pertains mainly to its right to charge users of the public service in connection with the service concession and related arrangements. This is recognized initially at the fair value which consists of the cost of construction services and the fair value of future fixed fee payments in exchange for the license or right. Following initial recognition, the intangible asset is carried at cost less accumulated amortization and any accumulated impairment losses.

The intangible asset - service concession right is amortized using the straight-line method over the estimated economic useful life which is the service concession period, and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated economic useful life is ranging from 18 to 25 years. The amortization period and the amortization method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible asset.

Franchise

The Group's franchise pertains to VECO's franchise to distribute electricity within an area granted by the Philippine Legislature, acquired in the business combination in 2013. The franchise is initially recognized at its fair value at the date of acquisition. Following initial recognition, the franchise is carried at cost less accumulated amortization and any accumulated impairment losses. The Group's franchise is amortized using the straight-line method over the estimated economic useful life, and assessed for impairment whenever there is an indication that the franchise may be impaired. The estimated economic useful life of the franchise is 40 years. The amortization period and amortization method for franchise are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the franchise are accounted for by changing the amortization period or method, as appropriate,



and treated as a change in accounting estimates. The amortization expense on franchise is recognized in the consolidated statement of income in the expense category consistent with its function.

Intangible assets - customer contracts

The Group's intangible assets - customer contracts pertain to contracts entered by subsidiaries relating to the provision of utility services to locators within an industrial zone.

These are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The intangible assets - customer contracts are amortized using the straight-line method over the remaining life of the contract, and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and method are reviewed at least at each financial year end.

The amortization expense is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible asset.

Project development costs

Project development costs include power plant projects in the development phase which meet the "identifiability" requirement under PAS 38, *Intangible Assets*, as they are separable and susceptible to individual sale and are carried at acquisition cost. These assets are transferred to "Property, plant and equipment" when construction of each power plant commences. During the period of development, the asset is tested for impairment annually.

Research and Development Expenditure

The Group's policy is to record research expenses in the consolidated statement of income in the period when they are incurred.

Development costs are recognized as an intangible asset on the consolidated balance sheet if the Group can identify them separately and show the technical viability of the asset, its intention and capacity to use or sell it, and how it will generate probable future economic benefits.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Impairment of Non-financial Assets

Property, plant and equipment, intangible assets, investment and advances and other current and noncurrent assets excluding restricted cash and PSALM deferred adjustment

The Group assesses at each balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value 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 of continuing operations are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.



An assessment is made at each balance sheet date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Decommissioning Liability

The decommissioning liability arose from the Group's obligation, under their contracts, to decommission, abandon and perform surface rehabilitation at the end of the useful lives of the steam field assets, or the end of the lease term, or upon abandonment of the plant. A corresponding asset is recognized as part of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the consolidated statement of income under "Interest expense" account. The estimated future costs of decommissioning are reviewed annually and adjusted prospectively.

Changes in the estimated future costs or in the discount rate applied are added or deducted from the cost of property, plant and equipment. The amount deducted from the cost of property, plant and equipment, shall not exceed its carrying amount.

If the decrease in the liability exceeds the carrying amount of the property, plant and equipment, the excess shall be recognized immediately in the consolidated statement of income.

Capital Stock and Additional Paid-in Capital

Capital stock is measured at par value for all shares issued. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Capital stock includes common stock and preferred stock.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Company, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are debited to the "Paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against an equity reserve account.

Retained Earnings

The amount included in retained earnings includes accumulated earnings of the Company and reduced by dividends on capital stock. Dividends on capital stock are recognized as a liability and deducted from equity when they are approved by the BOD. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date. Retained earnings may also include effect of changes in accounting policy as may be required by the transition provisions of new and amended standards.



Revenue Recognition

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

Sale of power

For power generation and ancillary services where capacity and energy dispatched are separately identified, these two obligations are to be combined as one performance obligation since these are not distinct within the context of the contract as the buyer cannot benefit from the contracted capacity alone without the corresponding energy and the buyer cannot obtain energy without contracting a capacity. The combined performance obligation qualifies as a series of distinct goods or services that are substantially the same and have the same pattern of transfer.

Revenue from power generation and ancillary services is recognized in the period actual capacity is delivered. Revenue is recognized over time since the customer simultaneously receives and consumes the benefits as the seller supplies power.

In contracts with fixed capacity payments which are determined at contract inception, the fixed capacity payments for the entire contract period is determined at day 1 and is recognized over time. Specifically, on contracts where capacity payments are fixed but escalates throughout the contract period without any reference to market indices, the fixed escalation is recognized on a straight-line basis over the contract period.

Some contracts with customers provide unspecified quantity of energy, includes provisional Energy Regulatory Commission (ERC) rates, and volume and prompt payment discounts that give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved.

Power distribution and retail supply also qualify as a series of distinct goods or services that are substantially the same and have the same pattern of transfer accounted for as one performance obligation. Revenue is recognized over time and based on amounts billed.

Technical, management and other fees

Technical, management and other fees are recognized when the related services are rendered.

Interest income

Interest is recognized as it accrues taking into account the effective interest method.

Other income

Revenue is recognized when non-utility operating income and surcharges are earned.

Pension Benefits

The Group has defined benefit pension plans which require contributions to be made to separately administered funds. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset



Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to consolidated statement of income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Borrowing Costs

Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as of the balance sheet date.

Current income tax relating to items recognized directly in equity is recognized in the consolidated statement of comprehensive income and not in the consolidated statement of income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.



Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply 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 as of the balance sheet date.

Income tax relating to items recognized directly in other comprehensive income is also recognized in other comprehensive income and not in the consolidated statement of income.

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

Value-Added Tax

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

For its VAT-registered activities, when VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated balance sheet. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated balance sheet up to the extent of the recoverable amount.

For its non-VAT registered activities, the amount of VAT passed on from its purchases of goods or service is recognized as part of the cost of goods/asset acquired or as part of the expense item, as applicable.



Input VAT, which is presented as part of "Other current assets" and/or "Other noncurrent assets" in the consolidated balance sheet, is recognized as an asset and will be used to offset the Group's current output VAT liabilities and/or applied for claim for tax credit certificates. Input VAT is stated at its estimated NRV.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) 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. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, 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 a borrowing cost.

Contingencies

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

Events After the Reporting Period

Post year-end events that provide additional information about the Group's financial position at balance sheet date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed when material.

Earnings Per Common Share

Basic earnings per common share are computed by dividing consolidated net income for the year attributable to the equity holders of the Company by the weighted average number of common shares issued and outstanding during the year, after giving retroactive effect for any stock dividends declared and stock rights exercised during the year.

Diluted earnings per share amounts are calculated by dividing the consolidated net income for the year attributable to the equity holders of the parent by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares that would be issued for outstanding common stock equivalents. The Group does not have dilutive potential common shares.

Operating Segments

For management purposes, the Group is organized into two major operating segments (power generation, retail electricity services and power distribution) according to the nature of the services provided, with each segment representing a significant business segment. The Group's identified operating segments are consistent with the segments reported to the BOD which is the Group's Chief Operating Decision Maker (CODM). Financial information on the operating segment is presented in Note 31.

4. Significant Accounting Judgments, Estimates and Assumptions

The Group's consolidated financial statements prepared in accordance with PFRS Accounting Standards require management to make judgment, estimates and assumptions that affect amount reported in the financial statements and related notes. The judgment, estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Group's consolidated financial statements. Actual results could differ from such estimates. Judgments, estimates and assumptions are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under circumstances. The following items are



those matters which the Group assess to have significant risk arising from judgements and estimation uncertainties:

Judgments

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

Determining functional currency

Based on the economic substance of the underlying circumstances relevant to the companies in the Group, the functional currency of the companies in the Group has been determined to be the Philippine Peso except for certain investees whose functional currency is the US Dollar. The Philippine Peso is the currency of the primary economic environment in which companies in the Group operates and it is the currency that mainly influences the sale of power and services and the costs of power and of providing the services. The functional currency of the Group's investees is the Philippine Peso except for GMEC, AboitizPower International Pte. Ltd., AboitizPower International B.V., LHC, SPI and PIPL whose functional currency is the US Dollar.

Service concession arrangements - Companies in the Group as Operators

Based on management's judgment, the provisions of Philippine Interpretation IFRIC 12 apply to SEZ's Distribution Management Service Agreement (DMSA) with Subic Bay Metropolitan Authority (SBMA); MEZ's Built-Operate-Transfer agreement with Mactan Cebu International Airport Authority (MCIAA) and LHC's Power Purchase Agreement (PPA) with the National Power Corporation (NPC). SEZ, MEZ and LHC's service concession agreements were accounted for under the intangible asset model.

Management has also determined that the provisions of Philippine Interpretation IFRIC 12 apply to SPI's PPA with NPC. SPI's service concession agreement was accounted for under the financial asset model.

Refer to the accounting policy on service concession arrangements for the discussion of intangible asset and financial asset models.

Nonconsolidation of Manila-Oslo Renewable Enterprise, Inc. (MORE) and its investees, AA Thermal, Inc. (AA Thermal), GNPowr Dingin Ltd. Co. (GNPD) and Chromite Gas Holdings Inc. (CGHI)

The Group has 83.33% interest in MORE which has a 60% ownership interest in SN Aboitiz Power-Magat, Inc. (SNAP M), SN Aboitiz Power-Benguet, Inc. (SNAP B), SN Aboitiz Power-RES, Inc. (SNAP RES), SN Aboitiz Power-Generation, Inc., SN Aboitiz Power-Ifugao, Inc. and Neptune Hydro, Inc. (NHI).

The Group has 60% economic interest in AA Thermal. Further, the Group has 70% economic interest in GNPD, direct 40% via TPI and indirect 30% via AA Thermal.

The Group has 40% interest in CGHI which has 67% interest in South Premiere Power Corporation, Excellent Energy Resources, Inc., Linseed Field Corporation and Ilijan Primeline Industrial Estate Corporation.

The Group does not consolidate MORE, AA Thermal, GNPD and CGHI since it does not have the ability to direct the relevant activities which most significantly affect the returns of MORE and its investees, AA Thermal, GNPD and CGHI. This is as a result of the agreements among the shareholders and partners which, among others, stipulate that the management and operation of MORE, AA Thermal and GNPD are vested in their respective BOD or "Management Committee" and the affirmative vote of the other shareholders or partners are required for the approval of certain company actions which include financial and operating undertakings (see Note 10).

Determining a joint operation

The Group has 50% interest in Pagbilao Energy Corporation (PEC). The Group assessed that the joint arrangement is a joint operation as the financial and operating activities of the operation are jointly controlled by the participating shareholders and are primarily designed for the provision of output to the shareholders.



Contractual cash flows assessment

For each financial asset, the Group assesses the contractual terms to identify whether the instrument is consistent with the concept of SPPI.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Evaluation of business model in managing financial instruments

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Identifying performance obligations

The Group identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

The Group assesses performance obligations as a series of distinct goods and services that are substantially the same and have the same pattern of transfer if i) each distinct good or services in the series are transferred over time and ii) the same method of progress will be used (i.e., units of delivery) to measure the entity's progress towards complete satisfaction of the performance obligation.

For power generation and ancillary services where capacity and energy dispatched are separately identified, these two obligations are to be combined as one performance obligation since these are not distinct within the context of the contract as the buyer cannot benefit from the contracted capacity alone without the corresponding energy and the buyer cannot obtain energy without contracting a capacity.



The combined performance obligation qualifies as a series of distinct goods or services that are substantially the same and have the same pattern of transfer since the delivery of energy every month are distinct services which are all recognized over time and have the same measure of progress.

Power distribution and retail supply also qualify as a series of distinct goods or services which is accounted for as one performance obligation since the delivery of energy every month are distinct services which are recognized over time and have the same measure of progress.

Revenue recognition

The Group recognizes revenue when it satisfies an identified performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. The Group determines, at contract inception, whether it will transfer control of a promised good or service over time. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

The Group's revenue from power generation, power distribution, ancillary services and retail supply are to be recognized over time, since customers simultaneously receives and consumes the benefits as the Group supplies power.

Identifying methods for measuring progress of revenue recognized over time

The Group determines the appropriate method of measuring progress which is either through the use of input or output methods. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation while output method recognizes revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date.

For power generation and ancillary services, the Group determined that the output method is the best method in measuring progress since actual electricity is supplied to customers. The Group recognizes revenue based on:

For power generation and ancillary services:

- a. For the variable energy payment, actual kilowatt hours consumed which are billed on a monthly basis.
- b. For fixed capacity payments, the Group allocates the transaction price on a straight-line basis over the contract term. The allocated fixed payments are also billed on a monthly basis.

For power distribution and retail supply, the Group uses the actual kilowatt hours consumed, which are also billed on a monthly basis.

Determining method to estimate variable consideration and assessing the constraint

The Group includes some or all the amounts of variable consideration estimated but only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Group considers both the likelihood and magnitude of the revenue reversal in evaluating the extent of variable consideration the Group will subject to constraint. Factors such as i) highly susceptibility to factors outside the Group's influence, ii) timing of resolution of the uncertainty, and iii) having a large number and broad range of possible considerations amount are considered.

Some contracts with customers provide unspecified quantity of energy, provisional ERC rates, and volume and prompt payment discounts that give rise to variable consideration. In estimating the variable consideration, the Group applies the expected value method in estimating the variable consideration given the large number of customer contracts that have similar characteristics and the range of possible outcomes.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are to be fully constrained based on its historical experience (i.e., volume and prompt payment



discounts), the range of possible outcomes (i.e., unspecified quantity of energy), and the unpredictability of other factors outside the Group's influence (i.e., provisional ERC rates).

Allocation of variable consideration

Variable consideration may be attributable to the entire contract or to a specific part of the contract. For power generation, power distribution, ancillary services and retail supply revenue streams which are considered as series of distinct goods or services that are substantially the same and have the same pattern of transfer, the Group allocates the variable amount that is no longer subject to constraint to the satisfied portion (i.e., month) which forms part of the single performance obligation, and forms part of the monthly billing of the Group.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as of December 31, 2025 and 2024 amounted to ₱26.57 billion and ₱46.59 billion, respectively. Impairment loss on goodwill amounted to ₱13.66 billion in 2025 and none in 2024 and 2023 (see Note 13).

Estimating useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, the estimation of the useful lives of property, plant and equipment is based on collective assessment of internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors and circumstances mentioned above. As of December 31, 2025 and 2024, the net book values of property, plant and equipment, excluding land and construction in progress, amounted to ₱203.44 billion and ₱193.87 billion, respectively (see Note 12).

Assessing impairment of nonfinancial assets

The Group assesses whether there are any indicators of impairment for nonfinancial assets at each balance sheet date. These nonfinancial assets (property, plant and equipment, intangible assets (excluding goodwill), and other current and noncurrent assets) are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Determining the recoverable amount of non-financial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect its consolidated financial statements. Future events could cause the Group to conclude that the property, plant and equipment, intangible assets (excluding goodwill), and other current and noncurrent assets are impaired. Any resulting impairment loss could have a material adverse impact on the consolidated balance sheet and consolidated statement of income.

As of December 31, 2025 and 2024, the aggregate net book values of these assets amounted to ₱309.57 billion and ₱250.78 billion, respectively (see Notes 8, 12, 13 and 14). Impairment losses and write-off recognized on these non-financial assets in 2025, 2024 and 2023 amounted to ₱455.2 million, ₱648.3 million and ₱604.1 million, respectively (see Notes 12, 13 and 24).



Measurement of expected credit losses

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.
- *Financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- *Financial guarantee contracts:* as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

The Group leverages existing risk management indicators (e.g. internal credit risk classification and restructuring triggers), credit risk rating changes and reasonable and supportable information which allows the Group to identify whether the credit risk of financial assets has significantly increased.

Inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), defined as follows:

- *Probability of default*
The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining life of the obligation. PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures. The 12-months and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instrument, respectively, based on conditions existing at the balance sheet date and future economic conditions that affect credit risk.
- *Loss given default*
Loss Given Default represents the Group's expectation of the extent of loss on a defaulted exposure, taking into account the mitigating effect of collateral, its expected value when realized and the time value of money. LGD varies by type of counterparty, type of seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD.
- *Exposure at default*
EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets



within a portfolio and credit grade band. This is supported by historical analysis. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by customer segment.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies including contracted debt sales and price.

The assumptions underlying the ECL calculation such as how the maturity profile of the PDs change are monitored and reviewed on a quarterly basis.

Simplified approach for trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for various customer segments that have similar loss patterns (i.e., by geography, customer segment and coverage by letters of credit).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the industrial segment, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The macro-economic variables include the following key indicators for the Philippines: unemployment rates, inflation rates, gross domestic product growth, consumer price index and net personal income growth.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Group has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

An increase in the Group's allowance for expected credit losses of trade and other receivables and concession contract asset will increase the Group's recorded expenses and decrease current assets. As of December 31, 2025 and 2024, allowance for expected credit losses amounted to ₱3.16 billion and ₱3.51 billion, respectively. Trade and other receivables, net of allowance for ECL, amounted to ₱38.69 billion and



₱36.59 billion as of December 31, 2025 and 2024, respectively (see Note 6). The concession contract asset amounted to ₱8.09 billion and ₱8.89 billion as of December 31, 2025 and 2024, respectively (see Notes 8 and 14).

Estimating the incremental borrowing rate (IBR)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates. The carrying amount of the lease liabilities amounted to ₱4.98 billion and ₱4.45 billion as of December 31, 2025 and 2024, respectively (see Note 35).

Estimating decommissioning liability

Under the Geothermal Resource Service Contract (GRSC), the Group has a legal obligation to decommission, abandon and perform surface rehabilitation on its steam field asset at the end of its useful life. The Group also has a legal obligation under its land lease agreements to decommission the power plants at the end of their lease terms. The Group recognizes the present value of the obligation to decommission the plant, abandon and perform surface rehabilitation of the steam field asset and capitalizes the present value of these costs as part of the balance of the related property, plant and equipment, which are being depreciated and amortized on a straight-line basis over the useful life of the related asset.

These costs are accrued based on in-house estimates, which incorporates estimates of the amount of obligations and interest rates, if appropriate. Assumptions used to compute the provision are reviewed and updated annually. Each year, the provision is increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with charges being recognized as accretion expense, included under "Interest expense" in the consolidated statement of income.

Changes in the decommissioning liability that result from a change in the current best estimate of cash flow required to settle the obligation or a change in the discount rate are added to (or deducted from) the amount recognized as the related asset and the periodic unwinding of the discount on the liability is recognized in the consolidated statement of income as it occurs.

While the Group has made its best estimate in establishing the decommissioning provision, because of potential changes in technology as well as safety and environmental requirements, plus the actual time scale to complete decommissioning activities, the ultimate provision requirements could either increase or decrease significantly from the Group's current estimates.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Decommissioning liability amounted to ₱5.49 billion and ₱5.26 billion as of December 31, 2025 and 2024, respectively, (see Note 19).

Recognition of deferred income tax assets

The Group reviews the carrying amounts of deferred income tax assets at each balance sheet date and reduces deferred income tax assets to the extent that it is no longer probable that sufficient income will be available to allow all or part of the deferred income tax assets to be utilized. The Group recognizes deferred taxes based on enacted or substantially enacted tax rates for renewable of 10% and for non-renewable of 25%. The Group has deferred income tax assets amounting to ₱7.24 billion and ₱6.10 billion as of December 31, 2025 and 2024, respectively.



Details of the Group's unused net operating loss carryover (NOLCO) and excess minimum corporate income tax (MCIT) are disclosed in Note 29.

Pension benefits

The cost of defined benefit pension plans, as well as the present value of the pension obligation, are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

Further details about the assumptions used are provided in Note 27.

Net benefit expense amounted to ₱474.4 million in 2025, ₱450.8 million in 2024, and ₱401.8 million in 2023. The net pension assets as of December 31, 2025 and 2024 amounted to ₱28.1 million and ₱78.3 million, respectively. Net pension liabilities as of December 31, 2025 and 2024 amounted to ₱689.0 million and ₱889.8 million, respectively.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques which include the discounted cash flow model and other generally accepted market valuation model. The inputs for these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The fair values of the Group's financial instruments are presented under Note 34.

Legal contingencies

The estimate of probable costs for the resolution of possible claims has been developed in consultation with outside counsels handling the Group's defense in these matters and is based upon an analysis of potential results. No provision for probable losses arising from legal contingencies was recognized in the Group's consolidated financial statements for the years ended December 31, 2025, 2024 and 2023.

5. Cash and Cash Equivalents

	2025	2024
Cash on hand and in banks	₱13,926,853	₱7,812,135
Short-term deposits	45,005,208	48,947,162
	₱58,932,061	₱56,759,297

Cash in banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposits rates. Interest income earned from cash and cash equivalents amounted to ₱1.80 billion in 2025, ₱1.81 billion in 2024, and ₱1.67 billion in 2023.



6. Trade and Other Receivables

	2025	2024
Trade receivables - net (see Notes 32 and 33)	₱35,414,075	₱27,062,648
Others		
Non-trade receivable	5,309,129	7,799,983
Dividends receivable (see Note 10)	403,064	1,014,100
Interest receivable	83,100	225,374
Advances to contractors	—	491,140
Total	41,209,368	36,593,245
Less noncurrent portion (Note 14)	2,514,836	—
	₱38,694,532	₱36,593,245

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

For terms and conditions relating to related party receivables, refer to Note 32.

Non-trade receivable relates mostly to claims from insurance and advances to partners in GMEC. In 2025, GMEC also declared dividends to non-controlling interests amounting to ₱2.71 billion which was offset against GMEC's receivables from its partners.

The rollforward analysis of allowance for expected credit losses which pertains to trade receivables, is presented below:

	2025	2024
January 1	₱3,512,890	₱3,376,162
Provision (reversal) (see Note 24)	(318,769)	22,495
Write-off	(68,298)	(182,920)
Effect of changes in foreign exchange rate	37,662	297,153
December 31	₱3,163,485	₱3,512,890

7. Inventories - net

	2025	2024
Plant spare parts and supplies	₱9,154,875	₱8,834,269
Fuel	2,523,317	4,018,971
Transmission and distribution supplies	1,556,746	1,388,894
Other parts and supplies	3,178	9,584
	₱13,238,116	₱14,251,718

Inventories are carried at lower of cost and NRV, and are accounted for using the weighted average method, as of December 31, 2025 and 2024.

The cost of inventories recognized as part of cost of generated power in the consolidated statements of income amounted to ₱35.17 billion in 2025, ₱40.62 billion in 2024, and ₱56.00 billion in 2023 (see Note 23). Meanwhile, the cost of inventories recognized as part of operations and maintenance in the consolidated statements of income amounted to ₱433.1 million in 2025, ₱416.4 million in 2024, and ₱548.9 million in 2023 (see Note 25). The allowance for inventory obsolescence to arrive at NRV amounted to ₱11.7 million and ₱12.4 million as of December 31, 2025 and 2024.



8. Other Current Assets

	2025	2024
Restricted cash (see Note 17)	₱6,569,631	₱6,098,865
Prepaid tax	3,922,527	2,886,357
Prepaid expenses	1,674,870	3,244,973
Concession contract asset (see Note 14)	1,358,605	1,352,797
Advances to projects and suppliers	1,806,179	551,506
Input VAT	388,511	758,353
Others	137,858	214,596
	₱15,858,181	₱15,107,447

Restricted cash represents proceeds from sale of power under the control of trustees of certain subsidiaries' lenders as per loan agreement (see Note 17). These will be used to pay the current portion of long-term debt, interest payments and operating costs of certain subsidiaries in the following period.

Advances to projects and suppliers pertain to TVI's cost of construction and installation of substation and transmission facilities which are subject for reimbursement from the National Grid Corporation of the Philippines (NGCP) after the completion of its project.

Prepaid expenses mainly consist of prepayments for insurance.

9. Business Combination

Acquisition of Ubay Solar Corporation (Ubay)

On December 12, 2025, ARI and Ignis Philippines Development, Inc. (IPDI) entered into a deed of assignment of shares of stock wherein IPDI assigned and transferred 100% of existing shares in Ubay Solar Corp. to ARI for a total consideration of ₱504.72 million (US\$8.55 million). Out of the total consideration, ₱82.69 million (US\$1.40 million) is paid upon execution of the deed while the remaining shall be paid upon completion of certain milestones.

The acquisition was accounted for under the acquisition method. The following are the fair values of the identifiable assets and liabilities assumed on acquisition date:

Total consideration		₱504,720
Net assets acquired:		
Assets acquired		
Cash and cash equivalents	₱146,759	
Other current assets	184,553	
Property and equipment	672,682	
Other noncurrent assets	105,292	
Liabilities assumed	(604,566)	(504,720)
Goodwill (Gain on bargain purchase)		₱—

As of December 31, 2025, the Group is still in the process of completing the determination of fair values of the underlying net assets of Ubay. As allowed by PFRS accounting standards, the Group has provisionally assessed the fair value of the assets and liabilities assumed. The provisional fair values will be finalized within one year from the acquisition date once relevant information has been obtained.



Step-acquisition of SPI

SPI Power Incorporated (SPI) (formerly STEAG State Power, Inc.) is the first coal-fired power plant in Mindanao operating with a 232 MW capacity.

Prior to the acquisition, the Company holds 34% stake in SPI. La Filipina Uy Gongco Corporation holds the other 15% while the majority of shares are owned by STEAG GmbH (Germany), SPI's parent company, at 51%.

On September 15, 2022, STEAG GmbH entered into a Share Purchase Agreement with the Company for the purchase by the Company of an additional 35.4% stake in SPI. The total purchase price for the shares was US\$36.1 million, plus locked box interest at a simple rate of 4% per annum (on the basis of a 365-day year) from January 1, 2021 to March 31, 2022.

In June 2023, all of the closing conditions have been met allowing the Company to complete the acquisition of the 35.4% ownership interest in SPI from STEAG GmbH. As a result of the acquisition, SPI became a subsidiary of the Company owning 69.4% interest at SPI.

The following are the fair values of the identifiable assets and liabilities assumed on acquisition date:

Assets:	
Cash and cash equivalents	₱1,562,017
Trade and other receivables	1,108,962
Inventories	2,254,849
Other current assets	409,700
Concession contract asset	9,937,575
Property and equipment	373,078
Pension asset	24,322
Other noncurrent assets	452,748
	₱16,123,251
Liabilities:	
Trade and other payables	1,477,444
Income tax payable	71,203
Deferred income tax liabilities, net	1,311,276
Lease liabilities	17,972
Long-term debt	2,687,509
	5,565,404
Total identifiable net assets at fair value	₱10,557,847
Total consideration	
	₱2,132,115
Fair value of previously-held interest in SPI	3,589,668
Fair value of NCI	3,230,701
	8,952,484
Less: Total identifiable net assets at fair value	10,557,847
Bargain purchase gain	₱1,605,363
Cash flow on acquisition:	
Cash paid	₱2,132,115
Net cash acquired with the subsidiary	1,562,017
Net cash outflow	(₱570,098)



Remeasurement of the previously-held interest in SPI as at the date of acquisition follows:

Fair value of previously-held interest	₱3,589,668
Carrying value of the previously held-interest	3,449,376
Gain on the remeasurement of previously-held interest	₱140,292

In 2023, SPI contributed ₱4.54 billion to the consolidated revenue and ₱878.4 million to the net income of the Group. If the combination had taken place at the beginning of 2023, the Group's revenue would have been ₱211.38 billion and net income would have been ₱36.75 billion.

The gain on bargain purchase, including gain on remeasurement, is presented as part of "Other income" in the 2023 consolidated statement of income. The gain on this acquisition arose from changes to the fair value of the net identifiable assets during the period prior to the closing date.

In May 2024, the Company purchased the remaining 15.6% interest of STEAG GmbH for US\$11.0 million (₱632.9 million) which increased the Company's ownership in SPI to 85%. This transaction was treated as an acquisition from a non-controlling shareholder.

Accordingly, the excess of consideration paid over the value of the net assets acquired was recorded as an equity reserve. This excess was determined as follows:

Carrying value of the additional interest in SPI	₱1,595,842
Less consideration paid to non-controlling shareholder	632,885
Difference recognized as equity reserve	₱962,957

10. Investments and Advances

	2025	2024
Acquisition cost:		
Balance at beginning of the year	₱57,432,661	₱56,997,389
Additions during the year	54,903,005	442,212
Redemptions during the year	—	(6,940)
Balance at end of year	112,335,666	57,432,661
Accumulated equity in net earnings:		
Balance at beginning of the year	37,171,953	34,478,491
Share in net earnings	19,369,484	15,693,423
Dividends	(11,230,638)	(12,999,961)
Balance at end of year	45,310,799	37,171,953
Share in net unrealized valuation gain on FVOCI investment of an associate	110,749	98,602
Share in actuarial gains (losses) on defined benefit plans of associates and joint ventures	(60,904)	30,835
Share in cumulative translation adjustments of associates and joint ventures	2,315,895	1,762,816
	2,365,740	1,892,253
	160,012,205	96,496,867
Less allowance for impairment losses	568,125	568,125
Investments at equity	159,444,080	95,928,742
Advances	—	1,450
	₱159,444,080	₱95,930,192



As of December 31, 2025 and 2024, the undistributed earnings of the associates and joint ventures included in the Group's retained earnings amounting to ₱45.31 billion and ₱37.17 billion, respectively, are not available for distribution to the stockholders unless declared by the investees (see Note 20).

In March 2024, the Company, through Therma NatGas Power, Inc. (a wholly-owned subsidiary of Therma Power, Inc.), executed an Investment Agreement with Meralco PowerGen Corporation (MGen) to acquire 40% and 60% interests, respectively, in Chromite Gas Holdings, Inc. (CGHI). CGHI acquired 67% equity interests in each of the 1,278 MW Ilijan power plant (South Premiere Power Corp. or SPPC), the 1,320 MW combined cycle power facility, (Excellent Energy Resources, Inc. or EERI), Ilijan Primeline Industrial Estate Corp. (IPIEC) and the LNG import and regasification terminal owned by Linseed Field Corporation (LFC). The Company, MGEN and San Miguel Global Power Corporation effectively own 26.8%, 40.2% and 33%, respectively, of SPPC, EERI, IPIEC and LFC.

On December 23, 2024, the transaction was approved by the Philippine Competition Commission.

On January 27, 2025, the parties completed the acquisition wherein the Company's total acquisition price for its proportionate share in the Investment in CGHI amounted to ₱54.62 billion. The acquisition price includes contingent consideration amounting to ₱8.02 billion, and other costs directly related to the acquisition (see Note 15).

In 2025, APX2 entered into a subscription agreement to subscribe to Aboitiz Upgrade Solar, Inc. (AUSI), for a total subscription price of ₱209.4 million for 50% ownership in a joint venture with Upgrade Energy Philippines, Inc.

In 2024, AP Int. subscribed 333,333 Redeemable Preferred Shares (RPS) of Abaqa International Pte. Ltd (AIPL) for ₱19.4 million.

In 2024, ARI entered into a subscription agreement to subscribe to 4BEC, AEHI, LWEC for a total subscription price of ₱175.2 million, ₱169.8 million and ₱77.8 million, respectively.

AEV Aviation Inc. (AAI) redeemed shares attributable to the Company at 6,940 Redeemable Preferred Shares (RPS) at ₱1,000 per share for ₱6.9 million in 2024 and 2023, respectively.

The Group's associates and joint ventures and the corresponding equity ownership are as follows:

	Nature of Business	Percentage of Ownership		
		2025	2024	2023
Manila-Oslo Renewable Enterprise, Inc. ¹	Holding company	83.33	83.33	83.33
GNPower Dinginin Ltd. Co. (GNPD) ^{1,2,3}	Power generation	70.00	70.00	70.00
AA Thermal ^{1,2}	Holding company	60.00	60.00	60.00
Aura Energy Holdings Inc. (AEHI) ^{1,*}	Power generation	50.00	50.00	50.00
Aboitiz Upgrade Solar, Inc. (AUSI) ^{1,*}	Power generation	50.00	50.00	—
Therma Cebu Energy Inc. (TCEI) ^{1,*}	Power generation	50.00	50.00	—
Hijos de F. Escaño, Inc. (Hijos)	Holding company	46.73	46.73	46.73
Mazzaraty Energy Corporation (MEC)	Retail electricity supplier	44.87	44.87	44.87
Sinag Naraw Power, Inc. (SNPI) [*]	Power generation	44.00	44.00	—
San Fernando Electric Light & Power Co., Inc. (SFELAPCO)	Power distribution	43.78	43.78	43.78
Pampanga Energy Ventures, Inc. (PEVI)	Holding company	42.84	42.84	42.84
4 Barracuda Energy Corporation (4BEC) [*]	Power generation	41.00	41.00	41.00
Abaqa International Pte. Ltd. (AIPL)	Trading Company	40.00	40.00	—
Chromite Gas Holdings, Inc. (CGHI) ¹	Holding company	40.00	—	—
Lihangin Wind Energy Corporation (LWEC) ^{*4}	Power generation	35.00	35.00	35.00
AEV Aviation Inc. (AAI)	Service	26.69	26.69	26.69
Cebu Energy Development Corporation (CEDC)	Power generation	26.40	26.40	26.40
Redondo Peninsula Energy, Inc. (RPEI) [*]	Power generation	25.00	25.00	25.00
Southern Philippines Power Corporation (SPPC)	Power generation	20.00	20.00	20.00
Western Mindanao Power Corporation (WMPC)	Power generation	20.00	20.00	20.00

¹ Joint ventures.

² Economic interest.

³ Includes 30% economic interest through AA Thermal.

⁴ Includes 20% direct ownership through ARI and 30% indirect ownership through AEHI.

^{*} No commercial operations as of December 31, 2025.



The principal place of business and country of incorporation of the Group's associates and joint ventures are in the Philippines except for AIPL.

All ownership percentages presented in the table above are direct ownership of the Group except for GNPD and SFELAPCO. As of December 31, 2025 and 2024, AA Thermal has an indirect economic interest in GNPD of 50% while the Group's economic interest in GNPD is 40% resulting to the Group's effective economic interest in GNPD of 70%. PEVI has direct ownership in SFELAPCO of 54.83% while the Group's direct ownership in SFELAPCO is 20.29% resulting to the Group's effective ownership in SFELAPCO of 43.78%.

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

	2025	2024
CGHI	₱58,979,923	₱—
GNPD ²	42,999,726	41,240,477
AA Thermal ¹	40,291,849	39,405,678
MORE	10,340,363	9,577,390
CEDC	4,018,279	3,184,468
PEVI	736,503	750,203
SFELAPCO	550,958	576,221
Hijos	330,880	333,243
AUSI	202,625	—
4BEC	170,589	167,395
AEHI	162,206	166,765
WMPC	153,861	130,104
SPPC	136,327	76,626
RPEI	90,357	89,482
LWEC	47,739	66,850
AIPL	19,367	19,367
Others	212,528	144,473
	₱159,444,080	₱95,928,742

¹ Includes indirect ownership from GNPD.

² Direct ownership only.

Following is the summarized financial information of significant associates and joint ventures:

	2025	2024	2023
CGHI:			
Total current assets	₱69,338	₱—	₱—
Total noncurrent assets	147,491,380	—	—
Total current liabilities	(12,580,011)	—	—
Total noncurrent liabilities	(6,846,270)	—	—
Equity	₱128,134,437	₱—	₱—
Gross revenue	₱—	₱—	₱—
Operating profit	11,580,537	—	—
Net income	11,580,537	—	—
Group's share in net income	₱4,361,523	₱—	₱—
Additional information:			
Cash and cash equivalents	₱69,338	₱—	₱—
Current financial liabilities	(12,580,011)	—	—
Noncurrent financial liabilities	(6,846,270)	—	—
Interest income	519	—	—

(Forward)



	2025	2024	2023
MORE:			
Total current assets	P242,452	P564,415	P48,213
Total noncurrent assets	12,499,144	11,000,723	12,130,146
Total current liabilities	(162,240)	(56,642)	(35,112)
Total noncurrent liabilities	(169,621)	(14,788)	(39,100)
Equity	P12,409,735	P11,493,708	P12,104,147
Gross revenue	P381,266	P309,419	P301,889
Operating profit	6,612,901	3,932,378	2,027,514
Net income	6,616,026	3,909,703	2,017,867
Other comprehensive income (loss)	---	27,046	(11,142)
Group's share in net income	P3,261,374	P3,261,374	P1,678,268
Additional information:			
Cash and cash equivalents	P28,590	P54,045	P28,611
Current financial liabilities	(162,239)	(45,653)	(35,112)
Noncurrent financial liabilities	(169,622)	(14,261)	(39,100)
Depreciation and amortization	19,947	18,306	15,091
Interest income	1,398	1,032	605
Interest expense	(6,804)	(5,759)	(3,845)
Income tax expense	(8,627)	17,986	8,311
WMPC:			
Total current assets	908,140	877,589	849,438
Total noncurrent assets	176,410	202,335	206,963
Total current liabilities	(195,711)	(317,330)	(175,751)
Total noncurrent liabilities	(117,835)	(101,668)	(100,800)
Equity	P771,004	P660,926	P779,850
Gross revenue	P927,859	P1,088,440	P1,498,713
Operating profit	276,487	237,065	469,616
Net income	202,348	75,627	202,133
Group's share in net income	P20,750	P13,209	P41,968
SPPC:			
Total current assets	P725,594	P317,267	P458,880
Total noncurrent assets	182,130	124,857	127,670
Total current liabilities	(171,726)	(2,389)	(122,918)
Total noncurrent liabilities	(54,365)	(57,541)	(54,212)
Equity	P681,633	P382,194	P409,420
Gross revenue	P—	P—	P—
Operating loss	(72,661)	(46,736)	(4,940)
Net income (loss)	288,226	(18,783)	206,701
Group's share in net income (loss)	41,107	(P5,370)	P39,656
SFELAPCO*:			
Total current assets	P1,630,741	P1,376,062	P1,451,888
Total noncurrent assets	4,404,290	4,148,066	3,285,675
Total current liabilities	(1,485,309)	(951,027)	(920,385)
Total noncurrent liabilities	(958,967)	(956,616)	(839,992)
Equity	P3,590,755	P3,616,485	P2,977,186
Gross revenue	P6,968,609	P6,632,055	P6,415,512
Operating profit	743,683	668,235	678,618
Net income	655,438	561,381	591,967
Other comprehensive income (loss)	68,832	3,753	(50,746)
Group's share in net income	P334,777	P297,422	P263,941
CEDC:			
Total current assets	P5,832,746	P6,001,671	P5,157,526
Total noncurrent assets	8,272,408	8,887,997	9,526,258
Total current liabilities	(2,019,355)	(4,249,862)	(3,713,509)
Total noncurrent liabilities	(2,953,347)	(3,435,956)	(4,092,414)
Equity	P9,132,452	P7,203,850	P6,877,861

(Forward)



	2025	2024	2023
Gross revenue	P9,873,279	P10,258,533	P12,165,195
Operating profit	3,729,788	3,454,676	4,375,718
Net income	2,952,984	2,666,441	2,366,269
Other comprehensive income (loss)	(5,925)	(5,566)	62,732
Group's share in net income	P1,312,550	P1,156,464	P1,064,071
AA Thermal			
Total current assets	P3,026	P4,142	P10,467
Total noncurrent assets	16,775,941	16,775,941	16,775,941
Total current liabilities	(653)	(765)	(853)
Total noncurrent liabilities	—	—	(195)
Equity	P16,778,314	P16,779,318	P16,785,360
Gross revenue	P—	P—	P—
Operating loss	(1,052)	(807)	—
Net loss	(1,003)	(13,042)	(660)
Group's share in net loss	(P17,596)	(P396)	P—
GNPD			
Total current assets	P26,086,818	P31,021,307	P37,860,527
Total noncurrent assets	94,301,555	106,042,446	102,063,473
Total current liabilities	(15,497,562)	(17,898,321)	(20,008,286)
Total noncurrent liabilities	(39,162,629)	(45,692,821)	(53,417,232)
Equity	P65,728,182	P73,472,611	P66,498,482
Gross revenue	P50,224,792	P53,961,357	P58,164,067
Operating profit	19,331,348	27,925,148	24,923,576
Net income	9,589,520	15,654,783	23,776,067
Other comprehensive income (loss)	—	841	(6,954)
Group's share in net income	P3,877,386	P6,261,162	P9,497,339
Additional information:			
Cash and cash equivalents	P10,474,310	P18,849,818	P27,311,823
Current financial liabilities	(15,481,851)	(17,837,816)	(20,016,908)
Noncurrent financial liabilities	(32,597,317)	(42,149,062)	(51,862,000)
Depreciation and amortization	4,374,444	3,952,810	112,107
Interest income	186,807	23,845	25,789
Interest expense	4,031,867	4,066,720	(198,984)
Income tax expense	177,260	854,108	16,391
Others**:			
Total current assets	P2,082,928	P1,162,367	P487,257
Total noncurrent assets	5,210,967	3,561,283	1,856,512
Total current liabilities	(634,839)	(382,532)	(77,912)
Total noncurrent liabilities	(2,188,055)	(395,628)	(218,137)
Gross revenue	221,670	149,355	139,994
Net loss	(65,037)	(51,217)	(210,951)

*Amounts are based on appraised values which are adjusted to historical amounts upon equity take-up of the Group. Using cost method in accounting for property, plant and equipment, net income amounted to P726.3 million, P639.1 million and P601.9 million in 2025, 2024, and 2023, respectively, for SFELAPCO.

**The financial information of insignificant associates and joint ventures is indicated under "Others".

11. Joint Operation

Name of Joint Operation	Nature of Business	Percentage of Ownership		
		2025	2024	2023
PEC	Power generation	50.00	50.00	50.00

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

On May 15, 2014, the Group entered into a shareholders' agreement with TPEC Holdings Corporation (TPEC) for the development, construction and operation of the 420 MW Pagbilao Unit III in Pagbilao, Quezon through PEC. TPI and TPEC both agreed to provide their respective capital contributions and subscribe to common shares such that each stockholder owns 50% of the issued and outstanding shares of stock of PEC.



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

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



12. Property, Plant and Equipment

December 31, 2025

	Land	Buildings, warehouses and improvements	Power plant equipment and steam field assets (see Note 19)	Transmission, distribution and substation equipment	Transportation equipment	Office furniture fixtures and equipment	Leasehold improvements	Solar Panels and Electrical equipment	Meters and laboratory equipment	Tools and others	Construction in progress	ROU assets (see Note 35)	Total
Cost:													
Balances at beginning of year	P3,943,617	P59,267,343	P137,812,104	P33,654,868	P2,103,540	P1,806,095	P3,203,749	P22,252,587	P4,406,741	P1,917,663	P24,995,539	P36,961,225	P332,325,071
Additions	939,606	243,175	1,788,452	2,142,809	271,817	153,579	336,548	404,858	451,660	147,217	19,214,784	4,844,565	30,939,070
Acquisition of a subsidiary (see Note 9)	672,682	—	—	—	—	—	—	—	—	—	—	—	672,682
Disposals	(2,128)	(3,171)	(106,998)	(804)	(154,310)	(25,305)	(23,930)	(797,486)	—	(9,682)	—	(136,778)	(1,260,592)
Reclassifications and others (see Note 19)	17,032	938,092	34,322,345	86,466	7,973	(26,446)	123,573	7,910,482	—	104,158	(14,982,938)	(31,026,648)	(2,525,911)
Balances at end of year	5,570,809	60,445,439	173,815,903	35,883,339	2,229,020	1,907,923	3,639,940	29,770,441	4,858,401	2,159,356	29,227,385	10,642,364	360,150,320
Accumulated Depreciation and Amortization:													
Balances at beginning of year	—	17,328,250	60,812,021	9,898,981	1,279,033	1,491,175	1,386,941	6,204,203	896,667	735,842	—	7,963,117	107,996,230
Depreciation and amortization	—	2,040,207	7,056,245	1,089,556	214,486	184,214	165,109	1,137,641	190,671	95,858	—	340,015	12,514,002
Disposals	—	(3,171)	(59,300)	(54)	(140,087)	(24,943)	(23,712)	(254,691)	—	(5,900)	—	(112,857)	(624,715)
Reclassifications and others	—	36,631	6,595,749	—	10,316	(45,366)	56,438	30,168	—	49,690	—	(6,271,423)	462,203
Balances at end of year	—	19,401,917	74,404,715	10,988,483	1,363,748	1,605,080	1,584,776	7,117,321	1,087,338	875,490	—	1,918,852	120,347,720
Accumulated Impairment:													
Balances at beginning of year	—	9,955	1,257,137	93,117	2,088	792	58,755	—	93,986	—	2,654,718	—	4,170,548
Impairment	—	—	—	23,398	263	—	—	26	19,924	—	—	—	43,611
Balances at end of year	—	9,955	1,257,137	116,515	2,351	792	58,755	26	113,910	—	2,654,718	—	4,214,159
Net book values	P5,570,809	P41,033,567	P98,154,051	P24,778,341	P862,921	P302,051	P1,996,409	P22,653,094	P3,657,153	P1,283,866	P26,572,667	P8,723,512	P235,588,441



December 31, 2024

	Land improvements	Buildings, warehouses and improvements	Power plant equipment and steam field assets (see Note 19)	Transmission, distribution and substation equipment	Transportation equipment	Office furniture, fixtures and equipment	Leasehold improvements	Solar Panels and Electrical equipment	Meters and laboratory equipment	Tools and others	Construction in progress	ROU assets (see Note 35)	Total
Cost:													
Balances at beginning of year	₱2,438,196	₱58,488,612	₱137,954,568	₱30,965,981	₱1,942,736	₱1,807,882	₱3,267,309	₱10,694,374	₱4,216,626	₱1,639,182	₱21,128,164	₱35,424,570	₱309,968,200
Additions (see Note 19)	1,773,983	141,599	542,908	874,847	236,517	131,488	3,471	218,520	383,666	114,449	18,962,329	1,591,112	24,974,889
Disposals	—	(33,454)	(437,053)	(428)	(74,325)	(13,643)	(53,642)	(10,699)	—	(28,040)	—	(54,457)	(705,741)
Reclassifications and others	(268,562)	670,586	(248,319)	1,814,468	(1,388)	(119,632)	(13,389)	11,350,392	(193,551)	192,072	(15,094,954)	—	(1,912,277)
Balances at end of year	3,943,617	59,267,343	137,812,104	33,654,868	2,103,540	1,806,095	3,203,749	22,252,587	4,406,741	1,917,663	24,995,539	36,961,225	332,325,071
Accumulated Depreciation and Amortization:													
Balances at beginning of year	—	15,505,888	54,309,013	8,919,261	1,179,169	1,356,376	1,355,074	5,225,630	1,006,856	430,515	—	6,415,552	95,703,334
Depreciation and amortization	—	2,046,785	6,044,832	1,000,888	176,934	167,714	128,531	594,040	172,645	346,347	—	1,168,176	11,846,892
Disposals	—	(15,291)	(200,643)	(32)	(59,921)	(13,257)	(53,642)	(3,818)	—	(12,745)	—	—	(359,349)
Reclassifications and others	—	(209,132)	658,819	(21,136)	(17,149)	(19,658)	(43,022)	388,351	(282,834)	(28,275)	—	379,389	805,353
Balances at end of year	—	17,328,250	60,812,021	9,898,981	1,279,033	1,491,175	1,386,941	6,204,203	896,667	735,842	—	7,963,117	107,996,230
Accumulated Impairment:													
Balances at beginning of year	—	9,955	1,202,036	93,117	2,088	792	251	490,721	93,986	—	2,645,029	—	4,537,975
Impairment (Reversal)	—	—	55,101	—	—	—	58,504	(490,721)	—	—	9,689	—	(367,427)
Balances at end of year	—	9,955	1,257,137	93,117	2,088	792	58,755	—	93,986	—	2,654,718	—	4,170,548
Net book values	₱3,943,617	₱41,929,138	₱75,742,946	₱23,662,770	₱822,419	₱314,128	₱1,758,053	₱16,048,384	₱3,416,088	₱1,181,821	₱22,340,821	₱28,998,108	₱220,158,293



In 2025 and 2024, the Group has determined that an impairment test has to be performed on certain segments of its Property, plant and equipment. In performing an impairment test calculation, the Group determined the recoverable amount of the relevant Property, plant and equipment through value-in-use. These assessments resulted to the recognition of impairment losses mainly coming from VECO amounting to ₱43.6 million in 2025 and TPVI amounting to ₱55.1 million in 2024.

In 2024, Sacasun reassessed the provision for impairment of the power plant previously recognized in 2017. The reassessment was finalized in 2024 in consideration of the delay of construction of the south-line transmission which curtailed the electricity dispatch of the power plant. The reassessment in 2024 resulted in the reversal of the previously recognized allowance for impairment loss amounting to ₱490.73 million.

Reclassifications and others include adjustment from decommissioning liability, cumulative translation adjustments, and reclassification of construction-in-progress account to proper asset accounts. In 2025 and 2024, power plant equipment and steam field assets decreased by ₱91.4 million and ₱2.52 billion, respectively, due to the change in accounting estimate on decommissioning liability (see Note 19).

Reclassifications from ROU asset to Power plant equipment and steam field assets amounting to ₱24.72 billion pertain to the transfer of the Pagbilao Power Plant to TLI (see Note 35).

In 2025 and 2024, additions to "Construction in progress" include capitalized borrowing costs, net of interest income earned from short-term deposits, amounting to ₱806.8 million and ₱1.06 billion, respectively (see Note 17). The rate used to determine the amount of borrowing costs eligible for capitalization ranged from 5.50% to 7.0% in 2025 and 5.91% to 7.0% in 2024, which are the effective interest rate of the specific borrowings.

Property, plant and equipment with carrying amounts of ₱46.8 billion and ₱45.5 billion as of December 31, 2025 and 2024, respectively, are used to secure the Group's long-term debts (see Note 17).

Additions to property, plant and equipment include non-cash right-of-use assets amounting to ₱4.84 billion and ₱1.6 billion in 2025 and 2024, respectively.

As of December 31, 2025 and 2024, the Group has significant purchase commitments amounting to ₱6.30 billion and ₱6.70 billion, respectively (see Note 36).



13. Intangible Assets

The table below shows the rollforward of intangible assets:

December 31, 2025

	Goodwill	Franchise	Service concession rights	Project development costs	Software and licenses	Customer contracts	Total
Cost:							
Balances at beginning of year	₱46,589,413	₱3,078,433	₱5,806,449	₱1,511,562	₱1,576,476	₱60,068	₱58,622,401
Additions during the year	—	—	56,487	751,832	267,417	—	1,075,736
Write-off (see Note 28)	(13,657,541)	—	—	(308,180)	—	—	(13,965,721)
Transfers/Reclassifications	(18,256)	—	18,256	(334,142)	334,142	—	—
Exchange differences	(6,346,697)	—	(4,007)	—	—	—	(6,350,704)
Balances at end of year	26,566,919	3,078,433	5,877,185	1,621,072	2,178,035	60,068	39,381,712
Accumulated amortization:							
Balances at beginning of year	—	891,465	4,995,439	—	815,634	60,068	6,762,606
Transfers/Reclassifications	—	—	—	—	1,763	—	1,763
Amortization	—	76,961	437,819	—	266,732	—	781,512
Balances at end of year	—	968,426	5,433,258	—	1,084,129	60,068	7,545,881
Net book values	₱26,566,919	₱2,110,007	₱443,927	₱1,621,072	₱1,093,906	₱—	₱31,835,831



December 31, 2024

	Goodwill	Franchise	Service concession rights	Project development costs	Software and licenses	Customer contracts	Total
Cost:							
Balances at beginning of year	₱44,616,281	₱3,078,433	₱5,725,904	₱1,176,850	₱1,156,281	₱60,068	₱55,813,817
Additions during the year	18,256	—	52,947	1,162,219	178,236	—	1,411,658
Write-off (see Note 28)	—	—	—	(260,284)	—	—	(260,284)
Transfers/Reclassification	—	—	—	(567,223)	241,959	—	(325,264)
Exchange differences	1,954,876	—	27,598	—	—	—	1,982,474
Balances at end of year	46,589,413	3,078,433	5,806,449	1,511,562	1,576,476	60,068	58,622,401
Accumulated amortization:							
Balances at beginning of year	—	814,504	4,564,620	—	617,528	60,068	6,056,720
Transfers/Reclassifications	—	—	—	—	14,359	—	14,359
Amortization	—	76,961	430,819	—	183,747	—	691,527
Balances at end of year	—	891,465	4,995,439	—	815,634	60,068	6,762,606
Net book values	₱46,589,413	₱2,186,968	₱811,010	₱1,511,562	₱760,842	₱—	₱51,859,795



Impairment Testing of Goodwill

Goodwill acquired through business combinations have been attributed to individual CGUs.

The carrying amount of goodwill follows:

	2025	2024
GMEC	₱25,879,105	₱45,691,872
LEZ	467,586	467,586
HI	220,228	220,228
BEZ	—	191,471
ICWPC	—	18,256
	₱26,566,919	₱46,589,413

The Group performed its annual impairment test on December 31, 2025 and 2024. The recoverable amounts of the investments have been determined based on a value-in-use calculation using free cash flow projections approved by the management. The following describes each key assumption on which management has based its free cash flow projections to undertake impairment testing of goodwill.

GMEC

In 2025, management identified several impairment indicators, including reduced plant reliability and increased market volatility which negatively impacted key assumptions. The pre-tax discount rate applied to free cash flow projections is 10.11% (2024: 11.33%). In 2025, the projected free cash flows assumed an average annual revenue growth of -0.60% over the remaining useful life of the asset. As a result, the impairment assessment determined that the recoverable amount of the net assets is lower than their carrying value, resulting to an impairment loss of ₱13.47 billion in 2025, which is presented as part of "Other income - net" in the consolidated statements of income. No impairment loss has been recognized in 2024 and 2023.

LEZ and HI

In 2025, the projected free cash flows assumed an average annual revenue growth rate of 2% to 3% based on expected electricity sold, and pre-tax discount rates of 9.03% and 9.62% for LEZ and HI, respectively. The projected free cash flows exceeded the carrying value of net assets of LEZ and HI. No impairment loss has been recognized in 2025, 2024 and 2023.

BEZ

In 2025, internal and external impairment indicators such as compression of operating margin, reduction in industrial demand, and the transition to rooftop solar energy of some of its customer base were identified for BEZ. The projected free cash flows have been updated to reflect these factors. The pre-tax discount rate applied to free cash flow projections is 10.74% (2024: 10.94%). As a result, management recognized an impairment of ₱191.47 million in 2025, which is presented as part of Other income – net in the consolidated statements of income. No impairment loss has been recognized in 2024 and 2023.

The management will continuously review impairment of goodwill, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

Service Concession Rights

Service concession arrangements entered into by the Group are as follows:

- On November 24, 1996, LHC entered into a PPA with NPC, its sole customer, for the construction and operation of a 70-megawatt hydroelectric power generating facility (the Power Station) in Bakun River in Benguet and Ilocos Sur Provinces on a build-operate-transfer scheme. Under the PPA, LHC shall deliver to NPC all electricity generated over a cooperation period of 25 years until February 5, 2026.



On the Transfer Date, as defined in the PPA, LHC shall transfer to NPC, free from any lien or encumbrance, all its rights, title and interest in and to the Power Station and all such data as operating manuals, operation summaries/transfer notes, design drawings and other information as may reasonably be required by NPC to enable it to operate the Power Station.

Since NPC controls the ownership of any significant residual interest of the Power Station at the end of the PPA, the PPA is accounted for under the intangible asset model as LHC has the right to charge users for the public service under the service concession arrangement.

The Power Station is treated as intangible asset and is amortized over a period of 25 years, which is the service concession period, in accordance with Philippine Interpretation IFRIC 12. The intangible asset with a carrying value ₱308.9 million as of December 31, 2024, was already fully amortized as of December 31, 2025.

On February 7, 2026, LHC transferred the Power Station to NPC/PSALM pursuant to the expiration of the cooperation period under the PPA. PSALM received the Power Station from LHC and assumed ownership thereof.

- b. On May 15, 2003, the SBMA, AEV and DLP entered into a DMSA for the privatization of the SBMA Power Distribution System (PDS) on a rehabilitate-operate-and-transfer arrangement; and to develop, construct, lease, lease out, operate and maintain property, structures and machineries in the Subic Bay Freeport Zone (SBFZ).

Under the terms of the DMSA, SEZ was created to undertake the rehabilitation, operation and maintenance of the PDS, including the provision of electric power service to the customers within the Subic Bay Freeport Secured Areas of the SBFZ, as well as the collection of the relevant fees from them for its services and the payment by SBMA of the service fees throughout the service period pursuant to the terms of the DMSA. The DMSA shall be effective for 25-year period commencing on the turnover date.

For and in consideration of the services and expenditures of SEZ for it to undertake the rehabilitation, operation, management and maintenance of the Project, it shall be paid by the SBMA the service fees in such amount equivalent to all the earnings of the Project, provided, however, that SEZ shall remit the amount of ₱40.0 million to the SBMA at the start of every 12-month period throughout the service period regardless of the total amount of all earnings of the Project. The said remittances may be reduced by the outstanding power receivables from SBMA, including streetlights power consumption and maintenance, for the immediate preceding year.

Since SBMA controls ownership of the equipment at the end of the agreement, the PDS are treated as intangible assets and are amortized over a period of 25 years up to year 2028, in accordance with Philippine Interpretation IFRIC 12.

The carrying value of the intangible asset arising from the service concession arrangement amounted to ₱373.9 million and ₱449.5 million as of December 31, 2025 and 2024, respectively.

- c. The transmission and distribution equipment of MEZ are located within Mactan Export Processing Zone (MEPZ) II. Since MCIAA controls ownership of the equipment at the end of the agreement, the equipment are treated as intangible assets and are amortized over a period of 21 years up to 2028, in accordance with Philippine Interpretation IFRIC 12.

The carrying amount of the intangible asset arising from the service concession arrangement amounted to ₱52.5 million and ₱52.6 million as of December 31, 2025 and 2024, respectively.



14. Other Noncurrent Assets

	2025	2024
Deposits (see Note 2)	₱42,851,677	₱1,405,212
Concession contract asset, net of current portion	6,728,387	7,533,867
Prepaid taxes	5,044,039	4,655,192
Advances to contractors and projects	4,697,340	1,544,247
Input VAT and tax credit receivable, net of impairment loss of ₱30.4 million and ₱55.6 million in 2025 and 2024, respectively (see Note 24)	3,905,212	4,579,915
Trade receivable - noncurrent portion (Note 6)	2,514,836	—
Investment properties	394,902	394,902
Prepaid expenses	261,749	3,333,053
Advances to NGCP - net of current portion	—	565,752
Others	1,114,694	1,217,506
	₱67,512,836	₱25,229,646

Concession contract asset pertains to SPI's PPA with NPC which has been accounted for under the provisions of Philippine Interpretation IFRIC 12. Under the terms of the PPA, SPI will receive capital recovery fees from NPC representing recovery of SPI's capital cost incurred in relation to the construction of the Power Station.

Total finance income recognized as part of revenue in the 2025 and 2024 consolidated statement of comprehensive income amounted to ₱1.09 billion and ₱1.19 billion, respectively.

Deposits include the payment by C9PI to PSALM amounting to ₱41.27 billion in connection with the acquisition of the Plant's assets including land lease agreement (see Note 2).

Concession contract asset due not later than one year is presented as current asset in the consolidated balance sheets (see Note 8).

Noncurrent portion of the trade receivable includes the receivable from additional revenue earned as a result of Energy Regulatory Commission (ERC) Resolution No. 28, series of 2025 providing feed-in-tariff (FIT) rate adjustments for years 2021 to 2025, and receivable from the sale of asset to ERC, collectible within 5 years (see Note 21).

In 2024, prepaid expenses include prepaid rent that pertains to TLI's prepayment for PSALM Pagbilao Land Lease Agreement amounting to ₱3.02 billion. This was subsequently reclassified to ROU assets upon commencement of lease in August 2025 (see Note 35).



15. Trade and Other Payables

	2025	2024
Trade payables (see Note 33)	₱27,047,097	₱20,834,329
Accrued expenses:		
Interest	3,324,851	3,166,997
Taxes and fees	2,328,051	1,987,803
Claims conversion costs	191,494	257,184
Insurance	69,703	44,253
Nontrade (see Note 10)	8,742,637	2,293,208
Output VAT	3,534,634	3,277,272
Amounts due to contractors and other third parties	1,958,463	2,088,808
Customers' deposit (see Note 18)	454,277	453,107
Unearned revenues	277,580	282,230
Dividends payable	225,324	190,938
Others	647,973	830,512
	₱48,802,084	₱35,706,641

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

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

Nontrade payables mostly pertain to the current portion of the contingent consideration related to the investment in CGHI (see Note 10).

Amounts due to contractors and other third parties include liabilities arising from the power plant construction (see Note 12).

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

16. Short-term Loans

	Interest Rate	2025	2024
Peso loans - financial institutions - unsecured	4.20% - 6.87% in 2025 5.50% - 6.87% in 2024	₱79,421,000	₱23,705,000
Dollar loans - financial institutions - unsecured (see Note 17)	5.75% in 2025 5.50% in 2024	587,900	1,330,435
		₱80,008,900	₱25,035,435

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

The Peso loans include bridge loan facilities used to partially finance the acquisition of the CBK HEPP Complex and CGHI (see Note 2).

In 2025, the Company availed ₱9.5 billion fixed-rate notes from the Philippine National Bank due on January 16, 2026 at an annual fixed rate equivalent to 4.2% and ₱15.0 billion fixed rate notes from the Land Bank of the Philippines due on March 13, 2026 at an annual fixed rate equivalent to 4.1%.



In December 2025, C9PI secured bridge loan facilities from BDO Unibank and Metropolitan Bank and Trust Company which allowed C9PI to draw up to ₱35 billion from each, to partially finance its acquisition of the CBK HEPP Complex.

Interest expense on short-term loans amounted to ₱3.12 billion, ₱1.11 billion and ₱1.16 billion in 2025, 2024 and 2023, respectively (see Note 33).

17. Long-term Debts

	2025 Interest Rate	2024 Interest Rate	2025	2024
Company:				
Retail Bonds - ₱12.00 billion	5.03 %	4.00% - 5.03%	₱7,200,000	₱12,000,000
Retail Bonds - ₱7.30 billion	5.28 %	5.28 %	7,250,000	7,250,000
Retail Bonds - ₱8.00 billion	3.82 %	3.82 %	8,000,000	8,000,000
Retail Bonds - ₱3.00 billion	5.34 %	5.34 %	3,000,000	3,000,000
Retail Bonds - ₱10.00 billion	5.31% - 5.74%	5.31% - 5.74%	10,000,000	10,000,000
Retail Bonds - ₱30.00 billion	5.88% - 6.86%	— %	30,000,000	—
Long-term loan	4.00% - 4.33%	4.00% - 4.33%	10,700,000	10,750,000
Retail Bonds - ₱9.60 billion	— %	3.94 %	—	550,000
Retail Bonds - ₱10.20 billion	— %	8.51 %	—	2,500,000
Subsidiaries:				
GMEC				
Financial institutions - unsecured	Six-month SOFR*** + 1.70% margin	LIBOR* + 1.7% - 4.85%	25,939,407	28,289,923
TMI				
Financial institutions - secured	4.54% - 7.68%	4.54% - 7.68%	1,787,499	2,112,500
HSAB				
Financial institutions - secured	4.92 %	4.92 %	745,111	862,985
TVI				
Financial institutions - secured	5.56% - 9.00%	5.56% - 9.00%	25,359,290	20,399,210
API				
Financial institutions - unsecured	7.24 %	4.87 %	570,000	576,000
TSI				
Financial institutions - secured	4.27 %	4.27 %	14,358,862	15,621,873
APRI				
Financial institutions - secured	BVAL** + 4.91%-6.67%	4.91% - 6.67%	10,335,567	9,319,784
HBI				
Financial institutions - secured	5.59% - 7.06%	4.29% - 5.59%	6,234,835	6,866,618
APREC				
Financial institutions - secured	6.51 %	— %	6,070,000	—
HSI				
Fixed rate corporate notes – unsecured	5.21% - 5.42%	5.03% - 5.42%	1,600,000	2,100,000
HI				
Financial institution - secured	5.00 %	5.00 %	1,062,598	1,151,299
PVSINAG				
Financial institution - secured	7.06% - 8.02%	7.06% - 8.02%	8,977,435	9,393,862
ARI				
Financial institution - unsecured	6.65% - 6.91%	6.65% - 6.91%	19,670,588	19,929,412
ASPI				
Financial institution - secured	6.06 %	— %	5,400,000	—
HTI				
Financial institutions - secured	4.92 %	4.92 %	518,045	576,533
SPI				
Financial institutions - secured	LIBOR* + 1.50% - 5.00%	LIBOR* + 1.50% - 5.00%	1,505,024	1,943,591
CEDI				
Financial institution - secured	5.72 %	8.00 %	2,436,000	107,195
TU				
Financial institution - secured	7.39 %	7.39 %	33,700,000	34,000,000
Joint operation (see Note 10)				
Financial institutions - secured	5.77% - 6.27%	5.77% - 6.27%	6,753,593	7,719,459
Less deferred financing costs			249,173,854	215,020,244
			1,634,390	1,300,978
Less current portion - net of deferred financing costs			247,539,464	213,719,266
			26,651,906	16,465,260
			₱220,887,558	₱197,254,006

* London Interbank Offered Rate (LIBOR)

** Bloomberg Valuation Service (BVAL)

***Secured Overnight Financing Rate (SOFR)



Interest expense and other financing costs on long-term debt amounted to ₱14.14 billion, ₱12.78 billion and ₱11.26 billion in 2025, 2024 and 2023, respectively (see Note 33).

Company

Retail Bonds - ₱12.0 billion

In December 2021, the Company issued a total of ₱12.0 billion bonds, broken down into a ₱4.8 billion 4-year bond due 2025 at a fixed rate equivalent to 4% p.a. and a ₱7.2 billion 7-year bond due 2028 at a fixed rate equivalent to 5.03% p.a. The bonds have been rated PRS Aaa by PhilRatings.

In December 2025, the Company fully paid the 4-year bond amounting to ₱4.80 billion.

Retail Bonds - ₱7.3 billion

In October 2019, the Company issued ₱7.3 billion 7-year bond due 2026 at a fixed rate of 5.28% p.a. The bonds have been rated PRS Aaa by PhilRatings.

Retail Bonds - ₱8.0 billion

In March 2021, the Company issued another ₱8.0 billion 5-year bond due 2026 at an annual fixed rate equivalent to 3.82% as part of the first tranche of its ₱30.0 billion debt securities program. The bonds have been rated PRS Aaa by PhilRatings.

Retail Bonds - ₱3.0 billion

In July 2017, the Company issued ₱3.0 billion 10-year bond due 2027 at an annual fixed rate of 5.34% p.a. The bonds have been rated PRS Aaa by PhilRatings.

Retail Bonds - ₱10.0 billion

In March 2022, the Company issued ₱3.0 billion 5-year bond due 2027 and ₱7.0 billion 7-year bond due 2029 at an annual fixed rate equivalent to 5.31% and 5.74%, respectively.

Retail Bonds - ₱30.0 billion

On July 14, 2025, the Company issued ₱30.0 billion fixed-retail bonds which comprise of Series A 5.88% 2-year ₱11.3 billion bonds due 2027, Series B 6.29% 5-year ₱9.5 billion bonds due 2030 and Series C 6.86% ₱9.2 billion bonds 10-year bonds due 2035. The bonds have been rated PRS Aaa by PhilRatings.

Long-term Loan - ₱6.0 billion

In July 2021, the Company availed ₱6.0 billion 7-year fixed-rate notes from the BDO Unibank, Inc. due 2028 at an annual fixed rate equivalent to 4%.

Long-term Loan - ₱5.0 billion

In November 2019, the Company obtained a ₱5.0 billion 7-year long term loan from the BDO Unibank, Inc. at a fixed rate of 5.28% p.a.

In 2020, the Company amended the "Mode of Payment" for the Principal from bullet payment to partial payments equal to 1 percent (%) of total principal amount payable annually starting November 2020 and the remaining 94 percent (%) upon maturity.

On July 13, 2021, the Company reached a rate reduction agreement to amend the interest rates of the loan from fixed rate loan of 5.28% to the sum of a benchmark rate and a spread of 0.90%, divided by an applicable factor and 4.125% per annum, whichever is higher.

Retail Bonds - ₱9.6 billion

In July 2020, the Company issued the fourth and last tranche of its ₱30.0 billion debt securities program, equivalent to ₱9.6 billion in July (the "Series E and F Bonds"). The Fixed Rate "Series E and F Bonds" has an interest rate of 3.125% and 3.935% per annum maturing in 2022 and 2025, respectively. The bonds have been rated PRS Aaa by PhilRatings.



In July 2022, the Company fully paid the 2-year bond availed in 2020 amounting to ₱9.00 billion.

In July 2025, the Company prepaid the 5-year bond amounting to ₱550.0 million.

Retail Bonds - ₱10.2 billion

In October 2018, the Company issued a total of ₱10.2 billion bonds, broken down into a ₱7.7 billion 5.25-year bond due 2024 at a fixed rate equivalent to 7.51% p.a. and a ₱2.5 billion 10-year bond due 2028 at a fixed rate equivalent to 8.51% p.a. The bonds have been rated PRS Aaa by PhilRatings.

In October 2022, the Company prepaid the 5.25-year bond amounting to ₱7.7 billion. The recognized loss on extinguishment due to this prepayment amounted to ₱45.0 million.

In October 2025, the Company prepaid the 10-year bond amounting to ₱2.5 billion.

Total carrying value of the Company's long-term debt amounted to ₱76.2 billion and ₱53.5 billion as of December 31, 2025 and 2024, respectively.

In 2025, loss on extinguishment of the above loans amounted to ₱50.0 million included as part of the "Interest expense and other financing costs" account in the consolidated statements of income (see Note 32).

GMEC

In August 2017, GMEC entered into a Notes Facility Agreement (NFA) with local banks with BDO Capital and Investment Corporation as Lead Arranger, with the maximum principal amount of \$800.0 million, to be used to refinance GMEC's existing loan obligation and for other general corporate purposes.

In September 2017, \$600.0 million was drawn from the NFA, out of which \$462.4 million was used to prepay the outstanding loans. In February 2018, the remaining principal amount of \$200.0 million was drawn from the NFA.

GMEC also has an existing facility agreement with certain banks to finance the GMEC's working capital requirements presented as part of short-term loans in the balance sheets (see Note 16).

Loans payable consist of the following dollar denominated loans:

	2025	2024	Interest Rate Per Annum	Payment Schedule
<i>NFA</i>				
Fixed Rate Loan	\$276,144	\$306,139	(i) Fixed rates of 2.5514% and 3.4049% plus 1.45% margin for the first seven-year period and (ii) Fixed Rate Loan Benchmark plus 1.45% margin for the subsequent five-year period	24 semi-annual payments starting from the first Interest Payment Date
SOFR Loan	165,074	182,926	Six-month SOFR plus 1.70% margin	24 semi-annual payments starting from the first Interest Payment Date
Total borrowings in USD	\$441,218	\$489,065		
Total borrowings in PHP	₱25,939,407	₱28,289,923		

TMI

In February 2021, TMI entered into a Loan Agreement with China Banking Corporation (CBC) for an aggregate principal amount of ₱2.60 billion to finance capital expenditures for the development and integration of a Battery Energy Storage System, working capital requirements, and for other financing and corporate purposes



of TMI. Total amount drawn in 2021 amounted to ₱1.79 billion. In 2022, TMI made additional drawdown totaling ₱810.0 million.

Interest is payable semiannually and is fixed for the first five years, with an adjustment for inflation on the five-year period thereafter. The principal amount is payable starting September 1, 2023 in 16 equal semi-annual installments. In 2025 and 2024, the Company capitalized ₱8.0 million and ₱119.2 million, respectively, to construction in progress.

The carrying value of the loan amounted to ₱1.79 billion and ₱2.11 billion as of December 31, 2025 and 2024, respectively.

HSAB

In December 2021, HSAB entered into an Omnibus Notes Facility and Security Agreement (Agreement) with Bank of the Philippine Islands (Lender) for a loan facility in the principal amount of ₱1.15 billion for capital expenditures and other general purposes.

Based on the loan agreement, borrowing shall be for a term of ten (10) years reckoned from initial borrowing date. HSAB shall pay the first principal amount in six months from the initial borrowing date and shall continue on every six months interval. HSAB may not re-borrow any part of the loan that has already been paid.

This loan is subject to an annual interest fixed at 4.92% for the first 5 years, and repriced on the five-year period thereafter.

The carrying value of the loan amounted to ₱745.1 million and ₱863.0 million as of December 31, 2025 and 2024, respectively.

TVI

In June 2015, TVI entered into an omnibus agreement with local banks for a project loan facility with an aggregate principal amount of ₱31.97 billion. As of December 31, 2025 and 2024, ₱31.52 billion has been drawn from the loan facility.

The loan is available in two tranches, as follows:

- Tranche A, in the amount of ₱25.60 billion, with interest rate fixed for the first eight years and will be repriced and fixed for another seven years.
- Tranche B, in the amount of ₱5.90 billion, with a fixed interest rate for fifteen years.

70% of the principal amount of the loan is payable in 20 equal semi-annual installments, with the remaining 30% payable in full on the final maturity date. TVI may prepay the loan in part or in full beginning on the end of the fourth year from the initial advance or on the project completion date, whichever is earlier.

In May 2025, TVI entered into an Amended and Restated Omnibus Agreement (the Agreement) with local banks for the Phase II Project Loan Facility with an aggregate principal amount of up to ₱15.98 billion. The loan is available in two tranches, with interest rates based on BVAL plus 175 basis points, subject to a floor of Overnight Reverse Repurchase Rate (ORRP) plus spread.

70% of the principal amount of the Phase II loan is payable in installments in accordance with the Phase II Principal Amortization Schedule, with the remaining 30% payable on the Final Maturity Date. The loan has a term of ten (10) years from the date of the Initial Advance. TVI may prepay the Phase II loans in part or in full beginning at the end of the fourth year from the initial advance or on the Phase II Project Completion Date, whichever is earlier. Any voluntary prepayment of Phase II Project Loans requires a proportionate prepayment of the Phase I Project Loans. Prepayments are subject to a penalty of 2% of the amount prepaid, except for mandatory prepayments such as those from insurance proceeds following a total loss.



Phase I and II loan are secured by a mortgage of all its assets with carrying amount of ₱46.8 billion and ₱39.4 billion as of December 31, 2025 and 2024, respectively, and a pledge of the TVI's shares of stock held by its shareholders. Total amount drawn as of December 31, 2025 amounted to ₱7.0 billion.

In 2025, the capitalized interest related to Phase II project loan facility amounted to ₱242.1 million.

The carrying value of the loans amounted to ₱25.36 billion and ₱20.40 billion as of December 31, 2025 and 2024, respectively.

API

In April 2020, API entered into a loan agreement with BPI with a principal amount of ₱600.0 million, which was fully drawn in 2020. The term of the loan is 10 years and interest is fixed at 4.87% for 5 years subject to reset 2 days prior to the 5th anniversary. The interest rate was repriced to 7.24% in 2025. The loan is payable in equal, semi-annual amortizations of at least one percent (1.00%) of the loan amount per annum, with balloon payment at maturity date.

The carrying value of the loan amounted to ₱570.0 million and ₱576.0 million as of December 31, 2025 and 2024, respectively.

TSI

In October 2013, TSI entered into an omnibus agreement with local banks for a project loan facility with an aggregate principal amount of ₱24.00 billion, which was fully drawn in 2014.

In October 2015, TSI entered into an additional loan agreement with principal amount of ₱1.68 billion, which was fully drawn in 2016.

The loan is secured by a mortgage of all its assets with carrying amount of ₱25.26 billion and ₱26.65 billion as of December 31, 2025 and 2024, and a pledge of TSI's shares of stock held by the shareholders and TPI.

Interest rate ranging from 4.50% - 5.15% is fixed for the first seven years and will be repriced and fixed for another five years. In 2018, upon release of the Company's guarantee, interest was increased by 0.5%. The interest rate was repriced to 5.6% in 2020.

Fifty percent of the principal amount of the loan is payable at semi-annual installments within 12 years with a two-year grace period, with the remaining 50% payable in full on the final maturity date.

TSI may prepay the loan in part or in full beginning on the end of the third year from the initial advance or on the project completion date, whichever is earlier. Any prepayment shall be subject to a prepayment penalty of 2% on the amount prepaid.

In 2021, TSI prepaid a portion of its loan amounting to ₱2.26 billion which resulted to a prepayment penalty of ₱48.4 million, including gross receipts tax.

In 2021, TSI also entered into amendments of its existing loan agreements with local banks to obtain additional financing intended to finance the prepayment of its loan, to pay costs, expenses and fees in relation to the loan prepayment and amendments and to re-leverage and optimize the capital structure of TSI. Moreover, the parties have agreed to amend certain financial terms of the existing loan agreements, including but not limited to the interest rate and final maturity date, and shall take effect after the prepayment.

The amendments resulted to the following:

- a. TSI has drawn additional loan principal in the amount of ₱2.50 billion;
- b. Interest rate of 4.27% is fixed for the first five (5) years and will be repriced and fixed for the next seven (7) years;



- c. 58.5% of the outstanding principal amount is payable in 18 equal semi-annual installments, 16.5% of the remaining principal amount is payable in another five (5) equal semi-annual installments, with the remaining 25% payable in the final maturity date of the loan in 2033.

In 2022, TSI entered into the Additional Facility Accession Agreement (Accession Agreement) with the additional facility lender. The Accession Agreement covers an aggregate amount of ₱1.0 billion, divided into the following:

- a. Second Top-up Facility amounting to 0.2 billion where 65.94% is payable in 21 equal semi-annual installments, 9.06% of principal amount is payable on the 22nd installment and the 25% in the final maturity date in 2033. The first principal payment on this facility was made in September 2022.
- b. CAPEX Facility of 0.8 billion where 75% is payable in 20 equal semi-annual installments and the remaining 25% of the principal amount is payable in the maturity date in 2033. The first principal payment on this facility was due in September 2023.
- c. Interest rate for Second Top-up Facility is 7.45% and interest rate for CAPEX facility ranges from 6.60% to 8.03% until repricing in 2026.

The carrying value of the loan amounted to ₱14.36 billion and ₱15.62 billion as of December 31, 2025 and 2024, respectively.

APRI

On December 23, 2021, APRI entered into a ₱12.00 billion loan facility agreement with Bank of the Philippine Islands (BPI) to refinance its existing term loan under the Omnibus Agreement; finance the design, development, construction, and operation of the 16 MW Binary Cycle Geothermal Plant to be developed in Tiwi, Albay (Project); and other general corporate purposes.

The loan is available in three tranches, as follows:

- a. A portion of the Facility in the amount equivalent to the total amount outstanding under the Omnibus Agreement, duly supported by a Statement of Account to be provided by the Intercreditor Agent, and to be used to finance the its payment of all outstanding obligations under the Omnibus Agreement.
- b. A portion of the Facility to be used by APRI for other general corporate purposes, in the amount equivalent to the resulting difference after deducting Tranche A and Tranche C from the maximum amount of the Facility.
- c. A portion of the Facility to be used by APRI to finance the Project up to the total amount of ₱1.40 billion.

Tranche A and B were already drawn from the initial borrowing date with the interest rate already fixed for 5 years. Maturity of all tranches shall be up to ten (10) years from initial drawdown date. 40% of the principal amount is payable in ten equal semi-annual installments, 20% is payable in succeeding four equal semi-annual installments, 30% is payable in succeeding five equal semi-annual installments, and the 10% balance is payable in the last installment.

The loan is secured by mortgage of its assets with carrying amount of ₱22.71 billion as of December 31, 2025, and pledge of APRI's shares of stock held by shareholders and assignment of Project Agreements and Project Accounts.

In 2025, the capitalized interest related to the loan facility amounted to ₱35.7 million.

On April 28, 2025, APRI entered into Loan and Security with Bank of the Philippine Islands (Lender) for a loan facility in the principal amount of ₱2.5 billion to finance the construction and operation of the project and for general corporate purposes.

The borrowings are scheduled as follows:

- a. Tranche A up to ₱1.00 billion, wherein ₱500 million is issued on May 7, 2025



b. Tranche B up to ₱1.50 billion, issue on November 13, 2025

Based on the Agreement, all the borrowings shall be for a term of ten (10) years reckoned from Initial Borrowing Date. APRI shall pay all borrowings from Tranche A and Tranche B in semi-annual repayment dates, provided, that 20% of the total borrowings from Tranche A and Tranche B shall be payable on the maturity date.

In 2025, the capitalized interest related to the loan facility amounted to ₱31.8 million.

The carrying value of the loan amounted to ₱10.34 billion and ₱9.32 billion as of December 31, 2025 and 2024, respectively.

HBI

In April 2020, HBI entered into a loan agreement with BPI, up to the maximum principal amount of ₱225.0 million which was fully drawn in 2020, for the construction of the Transformer Facility and other general corporate purposes.

The term of the loan is 8 years and the loan shall be paid as follows: (i) payment of an aggregate amount equivalent to 70% of the total principal amount of the loans, by equal semi-annual amortizations beginning on the seventh interest payment date up to and including the maturity date; and (ii) payment of the amount equivalent to 30% of the total principal amount of the loans, on the maturity date. The interest rate for this loan is fixed until maturity.

In September 2020, HBI entered into an omnibus agreement for a loan facility in the principal amount of ₱9.09 billion which was fully drawn in 2020 to refinance the project loan availed in 2015.

The term of the loan is 10 years and the loan shall be paid as follows: (i) payment of an aggregate amount equivalent to 70% of the total original amount of the Loan, by equal semi-annual amortizations beginning on the first interest payment date up to and including the maturity Date; and (ii) payment of the amount equivalent to 30% of the total original amount of the loan, on the maturity date. The interest rate shall be set on an interest rate setting date, and on the interest rate resetting date, as applicable.

The carrying value of the loans amounted to ₱6.23 billion and ₱6.87 billion as of December 31, 2025 and 2024, respectively.

APREC

In July 2025, APREC entered into an Omnibus Loan and Security Agreement (the Agreement) with Bank of the Philippine Islands for a loan facility in the principal amount of ₱7.4 billion to finance the construction and operation of its solar power project, which shall make available to APREC each advance under the Senior Term Loan Facility during the loan availability period, in accordance with the advance schedule. In 2025, APREC has drawn ₱6.1 billion from the facility.

APREC shall repay the loans on the interest payment date immediately following the end of the grace period and within fifteen years from and after the initial advance date in accordance with the principal amortization schedule. Each payment shall be made on a principal amortization date subject to the balloon payment.

APREC shall pay interest on the unpaid principal amount of the loan on each interest payment date. APREC has floater rate structure and shall have the option to exercise the floating rate conversion option with twelve months from initial borrowing date. In the event that the base rate cannot be determined on the interest rate settling date or the applicable interest rate repricing date, as the case maybe, then the base rate to be used shall be the base rate on the immediately preceding banking day.

In 2025, the capitalized interest related to the loan facility amounted to ₱165.4 million.



The carrying value of the loan amounted to ₱6.07 billion and nil as of December 31, 2025 and 2024, respectively.

HSI

In November 2016, HSI entered into a NFA with various institutions with Metrobank - Trust Banking Group as the Notes Facility Agent, for a loan facility with an aggregate principal amount of up to ₱4.10 billion to return equity to shareholders, and for other general corporate purposes.

The unsecured notes were issued in ten tranches with interest payable semi-annually at annual fixed rates ranging from 5.21% - 5.42% with various maturity dates from fifteen months to ten years from issue date.

Prior to maturity date, HSI may redeem in whole or in part the relevant outstanding notes on any interest payment date plus a one percent prepayment penalty.

The carrying value of the loan amounted to ₱1.60 billion and ₱2.10 billion as of December 31, 2025 and 2024, respectively.

HI

In December 2018, HI entered into a Notes Facility Agreement with a local bank to borrow ₱1.39 billion, which will mature in August 2033, to finance the rehabilitation and/or expansion of the Bineng hydropower plant, refinance its short-term loans and for other general corporate purposes. This loan is subject to a semi-annual principal payment with annual interest fixed at 5.00% for the first 5 years, and will be repriced in the next five years. The debt is secured by a continuing suretyship from ARI.

The carrying value of the loan amounted to ₱1.06 billion and ₱1.15 billion as of December 31, 2025 and 2024, respectively.

PV Sinag

In November 2022, PV Sinag entered into an Omnibus Notes Facility and Security Agreement with Bank of the Philippine Islands for a loan facility in the principal amount of ₱3.60 billion to be used for capital expenditures of project.

Based on the loan agreement, the borrowing shall be for a term of fifteen (15) years, reckoned from initial borrowing date. PV Sinag shall pay the first principal amount at the end of twelve (12) months after the First Issue Date, seventy percent (70%) of the principal amount outstanding shall be repaid in semi-annual installments, and the balance of thirty percent (30%) of the principal amount outstanding shall be paid on Maturity Date.

On March 15, 2023, PV Sinag made and executed an amended and restated Omnibus Notes Facility and Security Agreement with Bank of the Philippine Islands (Note Holder).

The Note Holder hereby grants PV Sinag an aggregate amount up to ₱9.70 billion broken down as follows:

- a. up to ₱6.10 billion worth of Series B notes wherein ₱0.85 billion issued on March 14, 2024 and ₱5.25 billion issued on March 22, 2023 to fund the Laoag Solar Project; and
- b. up to ₱3.60 billion worth of Series A notes issued on November 11, 2022 to fund the Cayanga-Bugallon Solar Project

The carrying value of the loans amounted to ₱8.98 billion and ₱9.39 billion as of December 31, 2025 and 2024, respectively.

ARI

In December 2022, ARI entered into a Notes Facility Agreement with Land bank of the Philippines as the issuer, with a principal amount of up to ₱20.00 billion worth of fixed-rate corporate notes, of which ₱12.00 billion was drawn on December 28, 2022, at an annual interest rate of 6.91%, to be repriced on the 5th anniversary of the first issue date.



On March 14, 2024, ARI drew the second tranche amounting to ₱8.00 billion at an annual interest rate of 6.6457% to be repriced on the 5th anniversary of the issuance date.

Interest is payable every six months, while the principal's maturity date is 10 years after the issue date, inclusive of 12-month grace period. Ten percent (10%) of the principal amount shall be paid in equal semi-annual installments commencing after the expiration of the grace period until maturity date. Thereafter, the remaining ninety percent (90%) of the principal amount shall be paid on maturity date.

The carrying value of the loan amounted to ₱19.67 billion and ₱19.93 billion as of December 31, 2025 and 2024, respectively.

ASPI

In August 2025, ASPI entered into an Omnibus Loan and Security Agreement with BDO Unibank, Inc for a loan facility in the principal amount of ₱5.5 billion to finance the construction, operation and maintenance of its solar power project, which shall make available to the borrower each advance under the Senior Term Loan Facility during the loan availability period, in accordance with the advance schedule. In 2025, ASPI has drawn ₱5.40 billion from the facility.

ASPI shall repay the Senior Term Loans in sculpted semi-annual payments but subject to an average loan life of eleven (11) years with a balloon payment not exceeding 30% of the loan amount commencing at the end of the grace period and within a period of fifteen (15) years from and after the initial advance date in accordance with the principal amortization schedule. Each payment shall be made on a principal amortization date. The last principal amortization date shall fall on the final maturity date.

ASPI shall pay interest on the unpaid principal amount of the loan on each interest payment date. ASPI has floater structure with a period of 2 years from initial advance date. The interest rate will be repriced on a quarterly basis and every interest payment date until ASPI decides to fix on any interest repricing date. If ASPI still maintains a floater structure by the end of the interest rate period, BDO will automatically convert the interest rate structure from floating to fixed.

The carrying value of the loan amounted to ₱5.40 billion and nil as of December 31, 2025 and 2024, respectively.

HTI

In December 2021, HTI entered into an Omnibus Notes Facility and Security Agreement with Bank of the Philippine Islands for a loan facility in the principal amount of ₱752.0 million for capital expenditures and other general purposes.

Based on the loan agreement, borrowing shall be for a term of ten (10) years reckoned from initial borrowing date. HTI shall pay the first principal amount in six months from the initial borrowing date and shall continue on every six months interval. HTI may not re-borrow any part of the loan that has already been paid.

This loan is subject to an annual interest fixed at 4.92% for the first 5 years. For the remaining five years, interest rate will be repriced.

The carrying value of the loan amounted to ₱518.0 million and ₱576.5 million as of December 31, 2025 and 2024, respectively.

SPI

In December 2014, SPI and BDO together with BDO Unibank Inc. Trust and Investments Group as Onshore Trustee, DB Trustees (Hong Kong) Limited as Offshore Trustee and STEAG GmbH, Aboitiz Power Corporation and La Filipina Uyongco Corporation as Sponsors agreed to further amend and restate the Original Omnibus Agreement to incorporate the Second BDO Facility Agreement. The Original Omnibus Agreement as amended on September 2, 2010 and December 8, 2014 is hereinafter referred to as the "Omnibus Agreement". The Second BDO Facility Agreement covers a 10-year \$40.2 million term loan for general corporate expenses. The



interest rate of the loan under the BDO Second Facility Agreement is fixed at 5% per annum and repayment for the principal is in accordance with a specified schedule with January 31, 2015 specified as first repayment date.

In November 2020, the Omnibus Agreement was amended through a Third Amendment Deed, to include an additional nine-year loan facility extended by the Senior Lender to the Company amounting to Forty Million United States Dollars (USD 40.0 million). The interest rate of the loan under the Third BDO Facility Agreement is presently at 6-Month Term SOFR plus 0.25% CAS plus 1.5% per annum and repayment for the principal is in accordance with a specified schedule with January 31, 2021 specified as first repayment date.

The carrying value of the loan amounted to ₱1.51 billion and ₱1.94 billion as of December 31, 2025 and 2024, respectively.

CEDI

In December 2024, Mainstream Renewable Power Philippines Holdings B.V. (MRPPHBV) and ARI entered a share purchase agreement, wherein, a stipulation under the agreement stated that a Deed of Waiver and Release of the outstanding amount owed by CEDI to Mainstream Renewable Power Limited (MRPL) under the MRPL Loan Agreement shall be obtained from MRPL. In January 2025, the Deed of Waiver and Release of the outstanding loan as of December 31, 2024 was made and executed between MRPL and the Company.

In November 2025, CEDI entered into an Omnibus Loan and Security Agreement with Bank of the Philippine Islands for a loan facility in the principal amount of ₱6.1 billion to finance the construction and operation of its wind power project, which shall be made available in multiple borrowing. In December 2025, CEDI has drawn ₱2.4 billion from the facility.

Based on the agreement, the loan shall be for a term of fifteen (15) years from the initial borrowing date, inclusive of a grace period on principal repayment. The first principal repayment shall be made on each interest payment date specified in the agreement. CEDI may not re-borrow any part of the loan that has already been paid.

CEDI has floater rate structure and shall have the option to exercise the floating rate conversion option with twelve months from initial borrowing date.

In 2025, the capitalized interest related to the loan facility amounted to ₱32.9 million.

The carrying value of the loan amounted to ₱2.44 billion and ₱107.2 million as of December 31, 2025 and 2024, respectively.

TLI

In October 2022, TLI entered into a term loan agreement with a local bank for a principal amount of ₱15.0 billion to be used for the settlement of monthly payments to PSALM. Interest rate is 7.39% floating rate every five years. 2% of the principal is payable on the third year in equal semi-annual installments, 8.5% is payable on the fourth year, 4.95% is payable in 11 equal semi-annual installments and the 40% is payable on the final maturity date of the loan.

On November 8, 2023 TLI entered into loan agreements with local banks for the prepayment of the IPPA agreement with PSALM totaling to 19.0 billion. Interest rate is 7.39% floating rate every five years. 2.0% of the principal is payable on the third year in equal semi-annual installments, 8.5% is payable on the fourth year, 49.5% is payable in 11 equal semi-annual installments and the 40% is payable on the final maturity date of the loan.

The carrying value of the loan amounted to ₱33.70 billion and ₱34.00 billion as of December 31, 2025 and 2024, respectively.

Long-term debt of Joint Operation (see Note 11)

This pertains to TPI's share of the outstanding project debt of its joint operation.



In May 2014, PEC entered into an omnibus agreement with various local banks for a loan facility in the aggregate principal amount of up to ₱33.31 billion with maturity period of 15 years.

The loan facility is subject to a semi-annual interest payment with annual fixed interest ranging from 5.50% - 8.31%. The loans may be voluntarily prepaid in full or in part commencing on and from the third year of the date of initial drawdown with a prepayment penalty.

The loans are secured by a mortgage of substantially all its assets with carrying amount of ₱30.24 billion as of December 31, 2025, and a pledge of the shares of stock held by the joint operators.

The share of the Group in the carrying value of the loan amounted to ₱6.75 billion and ₱7.72 billion as of December 31, 2025 and 2024, respectively.

Loan covenants

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

These restrictions and requirements were complied with by the Group as of December 31, 2025 and 2024.

18. Customers' Deposits

	2025	2024
Bill and load	₱7,909,511	₱6,737,958
Lines and poles	2,009,369	1,913,923
Transformers	1,289,067	1,317,117
Total	11,207,947	9,968,998
Less current portion (Note 15)	454,277	453,107
Noncurrent portion	₱10,753,670	₱9,515,891

Transformers and lines and poles deposits are obtained from certain customers principally as cash bond for their proper maintenance and care of the said facilities while under their exclusive use and responsibility.

Effective April 1, 2010, the Amended Distribution Services and Open Access Rules (Amended DSOAR), increased the refund rate from 25% to 75% of the gross distribution revenue generated from the extension lines and facilities until such amounts are fully refunded.

Bill deposit serves to guarantee payment of bills by a customer which is estimated to equal one month's consumption or bill of the customer.

Both the Magna Carta and Distribution Services and Open Access Rules (DSOAR) also provide that residential and non-residential customers, respectively, must pay a bill deposit to guarantee payment of bills equivalent to their estimated monthly billing. The amount of deposit shall be adjusted after one year to approximate the actual average monthly bills. A customer who has paid his electric bills on or before due date for three consecutive years, may apply for the full refund of the bill deposit, together with the accrued interests, prior to the termination of the service; otherwise, bill deposits and accrued interests shall be refunded within one month from termination of service, provided all bills have been paid.

In cases where the customer has previously received the refund of his bill deposit pursuant to Article 7 of the Magna Carta, and later defaults in the payment of his monthly bills, the customer shall be required to post another bill deposit with the distribution utility and lose his right to avail of the right to refund his bill deposit in



the future until termination of service. Failure to pay the required bill deposit shall be a ground for disconnection of electric service.

Interest expense on customers' deposits amounted to ₱2.3 million in 2025, ₱2.2 million in 2024, ₱2.5 million in 2023 (see Note 33).

The Group classified customers' deposit under noncurrent liabilities due to the expected long-term nature of these deposits. The portion of customers' deposit to be refunded within 12 months amounted to ₱454.3 million and ₱453.1 million as of December 31, 2025 and 2024, respectively, and are presented as part of "Trade and other payables" (see Note 15).

19. Decommissioning Liability

Decommissioning liability includes the estimated costs to decommission, abandon and perform surface rehabilitation on the steam field assets at the end of their useful lives, and the best estimate of the expenditure required to settle the obligation to decommission power plant at the end of its lease term (see Note 12).

	2025	2024
Balance at beginning of year	₱5,259,205	₱7,363,729
Accretion of decommissioning liability (see Note 33)	318,511	416,001
Change in accounting estimate (see Note 12)	(91,371)	(2,520,525)
Balance at end of year	₱5,486,345	₱5,259,205

The actual dismantling and removal cost could vary substantially from the above estimate because of new regulatory requirements, changes in technology, increased cost of labor, materials, and equipment or actual time required to complete all dismantling and removal activities. Adjustment, if any, to the estimated amount will be recognized prospectively as they become known and reliably estimable. The change in accounting estimate is due to the updating of discount rates. The asset retirement obligation were discounted using rates of interest ranging from 5.51% - 6.40% and 5.19% - 6.11% in 2025 and 2024, respectively.

20. Equity

a. Paid-in Capital (number of shares not rounded)

	2025	2024
Capital Stock		
Authorized - ₱1 par value		
Common shares - 16,000,000,000 shares		
Preferred shares - 1,000,000,000 shares		
Issued		
Common shares - 7,358,604,307 shares	₱7,358,604	₱7,358,604
Additional Paid-in Capital	12,588,894	12,588,894
	₱19,947,498	₱19,947,498

On May 25, 2007, the Company listed with the PSE its 7,187,664,000 common shares with a par value of ₱1.00 to cover the initial public offering (IPO) of 1,787,664,000 common shares at an issue price of ₱5.80 per share. On March 17, 2008, the Company listed an additional 170,940,307 common shares, which it issued pursuant to a share swap agreement at the IPO price of ₱5.80 per share. The total proceeds from the issuance of new shares amounted to ₱10.37 billion. The Company incurred transaction costs incidental to the initial public offering amounting to ₱412.4 million, which is charged against "Additional paid-in capital" in the consolidated balance sheet.



In 2023, The Company purchased a total of 152,750,000 shares of its own common shares for P4.89 billion. The acquisition is pursuant to the authority approved by the Company's Board of Directors on August 29, 2023.

As of December 31, 2025, 2024 and 2023, the Company has 597, 582 and 578 shareholders, respectively.

Preferred shares are non-voting, non-participating, non-convertible, redeemable, cumulative, and may be issued from time to time by the BOD in one or more series. The BOD is authorized to issue from time to time before issuance thereof, the number of shares in each series, and all the designations, relative rights, preferences, privileges and limitations of the shares of each series. Preferred shares redeemed by the Company may be reissued. Holders thereof are entitled to receive dividends payable out of the unrestricted retained earnings of the Company at a rate based on the offer price that is either fixed or floating from the date of the issuance to final redemption. In either case, the rate of dividend, whether fixed or floating, shall be referenced, or be a discount or premium, to market-determined benchmark as the BOD may determine at the time of issuance with due notice to the SEC.

In the event of any liquidation or dissolution or winding up of the Company, the holders of the preferred shares shall be entitled to be paid in full the offer price of their shares before any payment in liquidation is made upon the common shares.

There are no preferred shares issued and outstanding as of December 31, 2025 and 2024.

b. Retained Earnings

On November 22, 2023, the BOD approved the reversal of P8.2 billion retained earnings appropriation set up in 2019 for the equity requirement of the 300MW Cebu Coal plant.

On March 3, 2023, the BOD approved the declaration of regular cash dividends of P1.87 per share (P13.76 billion) to all stockholders of record as of March 17, 2023. The cash dividends were paid on March 30, 2023.

On March 5, 2024, the BOD approved the declaration of regular cash dividends of P2.30 a share (P16.57 billion) to all stockholders of record as of March 19, 2024. The cash dividends were paid on March 26, 2024.

On March 6, 2025, the BOD approved the declaration of regular cash dividends of P2.35 a share (P16.93 billion) to all stockholders of record as of March 21, 2025. These dividends were paid on March 28, 2025.

On March 5, 2026, the BOD approved the declaration of regular cash dividends of P1.35 per share (P9.73 billion) and special cash dividends of P0.93 per share (P6.70 billion) to all stockholders of record as of March 19, 2026. The cash dividends are payable on March 27, 2026.

On March 5, 2026, the BOD approved the reversal of the appropriated retained earnings amounting to P11.90 billion. This pertains to the appropriation in 2019 for project development and construction of power plants that were already completed as of approval date.

- c. The balance of retained earnings includes the accumulated equity in net earnings of subsidiaries, associates and joint arrangement amounting to P146.68 billion and P138.10 billion as of December 31, 2025 and 2024, respectively. Such amounts are not available for distribution until such time that the Company receives the dividends from the respective subsidiaries, associates and joint arrangement (see Note 10).



21. Sale of Power

Sale from Distribution of Power

1. The Uniform Rate Filing Requirements on the rate unbundling released by the Energy Regulatory Commission (ERC) on October 30, 2001, specified that the billing for sale and distribution of power and electricity will have the following components: Generation Charge, Transmission Charge, System Loss Charge, Distribution Charge, Supply Charge, Metering Charge, the Currency Exchange Rate Adjustment and Interclass and Lifeline Subsidies. National and local franchise taxes, the Power Act Reduction (for residential customers) and the Universal Charge are also separately indicated in the customer's billing statements.
2. Pursuant to Section 43(f) of Republic Act (R.A.) No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), and Rule 15, section 5(a) of its Implementing Rules and Regulations (IRR), the ERC promulgated the Distribution Wheeling Rates Guidelines on December 10, 2004. These were subsequently updated and released on July 26, 2006 as the Rules for Setting Distribution Wheeling Rates (RDWR) for Privately Owned Utilities entering Performance Based Regulation (PBR).

Details of the PBR regulatory period and the date of implementation of the approved rates are as follows:

	CLP	DLP	VECO	SEZ
Current regulatory period	April 1, 2023 to March 31, 2027	July 1, 2024 to June 30, 2028	July 1, 2024 to June 30, 2028	October 1, 2025 to September 30, 2029
Date of implementation of approved distribution supply and metering charges	May 1, 2009	August 1, 2010	August 1, 2010	November 26, 2011

The reset process for the Third Regulatory Period to adjust the previously approved distribution supply and metering charges were deferred due to the changes on PBR rules.

The Energy Regulatory Commission has issued ERC Resolution No. 10, Series of 2021 Modifying the Rules for Setting the Distribution Wheeling Rates (RDWR) for Privately-Owned Distribution Utilities Entering Performance-Based Regulation (PBR) and ERC Resolution No. 11, Series of 2021 Adopting the Regulatory Asset Base (RAB) Roll-Forward Handbook for Privately-Owned Electricity Distribution Utilities.

Based on the RDWR, the regulatory periods shall be as follows:

- (i) CLP: April 1, 2023 to March 31, 2027
- (ii) DLP and VECO: July 1, 2024 to June 30, 2028
- (iii) SEZ: October 1, 2025 to September 30, 2029

3. On November 20, 2025, the ERC promulgated ERC Resolution No. 23, series of 2025, directing the distribution utilities to file their Actual Weighted Tariff (AWAT) applications separate and distinct from the Rationalized Rules for Setting Distribution Wheeling Rates (RRDWR). The application shall cover from the start of their respective lapsed period until December 31, 2025. In ERC Resolution No. 1, series of 2026, it was established that the date of filing for the private Distribution Utility's respective AWAT applications will be on March 22, 2026. CLP submitted its application under the previous regulations and will file a supplemental application, while VECO, DLP, and SEZ will have to file their separate AWAT applications.

Thereafter, on November 28, 2025, the ERC promulgated Resolution No. 24, series of 2025, where it resolved to approve and adopt the RRDWR for privately owned distribution utilities under the PBR, included as well in the resolution is the Position Paper and Regulatory Asset Base (RAB) Handbook. The first regulatory period for the first entry group will commence on July 1, 2026 and will end on June 30, 2030. The First Regulatory Period for the Second, Third, and Fourth Entry groups shall commence on January 1, 2027, July 1, 2027, and January 1, 2028, respectively, and will likewise end after a four-year period.



As of January 31, 2026, CLP, as part of the First Entry Group has already completed the filing of its rate reset application and is awaiting the conduct of its hearings. As for the rest of the AboitizPower Distribution Utilities, DLP is in the Second Entry Group, VECO is in the Third Entry Group and SEZ is in the Fourth Entry Group, and shall file their respective rate reset applications in due course.

The Second, Third and Fourth Entry Groups in the First Regulatory Period shall file their respective rate reset applications on the following dates: Second Entry Group (April 1, 2026), Third Entry Group (October 1, 2026), and Fourth Entry Group (April 1, 2027).

Total sale from distribution of power amounted to ₱60.20 billion, ₱56.99 billion, and ₱53.36 billion in 2025, 2024 and 2023, respectively.

Sale from Generation of Power and Retail Electricity

a. Energy Trading through the Philippine Wholesale Electricity Spot Market (WESM)

Certain subsidiaries are trading participants and direct members under the generator sector of the WESM. These companies are allowed to access the WESM Market Management System through its Market Participant Interface (MPI). The MPI is the facility that allows the trading participants to submit and cancel bids and offers, and to view market results and reports. Under its price determination methodology as approved by the ERC, locational marginal price method is used in computing prices for energy bought and sold in the market on a per node, per hour basis. In the case of bilateral power supply contracts, however, the involved trading participants settle directly with their contracting parties.

Total sale of power to WESM amounted to ₱18.56 billion, ₱33.84 billion, and ₱32.96 billion in 2025, 2024 and 2023, respectively.

b. Power Supply Agreements

i. *Power Supply Contracts assumed under Asset Purchase Agreement (APA) and IPP Administration Agreement*

Revenue recognition for customers under the power supply contracts assumed under the APA and IPP Administration Agreements are billed based on the contract price which is calculated based on the pricing structure approved by the ERC. Rates are calculated based on the time-of-use pricing schedule with corresponding adjustments using the GRAM and the ICERA.

ii. *Power Purchase/Supply Agreement and Energy Supply Agreement (PPA/PSA and ESA)*

Certain subsidiaries have negotiated contracts with NPC, Private Distribution Utilities, Electric Cooperatives and Commercial and Industrial Consumers referred to as PPA/PSA or ESA. These contracts provide a tariff that allows these companies to charge for capacity fees, fixed operating fees and energy fees.

iii. *Feed-in-Tariff (FIT)*

Certain subsidiaries were issued a FIT Certificate of Compliance from the ERC which entitles them to avail the FIT rate. These subsidiaries also signed agreements with the National Transmission Corporation (NTC), the FIT administrator. These agreements enumerate the rights and obligations under the FIT rules and FIT-All guidelines, in respect to the full payment of the actual energy generation of the generator, at a price equivalent to the applicable FIT rate, for the entire duration of its FIT eligibility period.



In 2025, ERC issued Resolution No. 28, Series of 2025, approved the adjustments to the FIT for the years 2021-2025. This resolution ensures that the local inflation and foreign exchange (forex) rate variations are accounted for in the rate calculations. The Company recognized FIT revenue adjustment of ₱1.0 billion in 2025.

However, industry groups have filed formal objections regarding a significant error in the calculations. Consequently, on February 26, 2025, ERC issued an advisory which provided detailed clarifications and revisions to address concerns on ERC Resolution No. 28, series of 2025. This was considered as an adjusting event after the balance sheet date and recognized additional power revenue of ₱1.0 billion in 2025.

Total sale of power under power supply agreements amounted to ₱64.12 billion in 2025, ₱52.75 billion in 2024 and ₱69.63 billion in 2023.

c. Ancillary Services Procurement Agreement (ASPA)

Certain subsidiaries have ASPA with the National Grid Corporation of the Philippines. Ancillary services are support services such as frequency regulating, contingency and dispatchable reserves, reactive power support, and black start capability which are necessary to support the transmission capacity and energy that are essential in maintaining power quality and security of the grid.

In 2025, SNAP M, SNAP B and TLI received the approval of the ERC for the ASPA Agreement with NGCP, which established the approved rates of contingency reserve and dispatchable reserve. The difference between the provisional authority and final approved applicable rates were booked as additional ASPA revenue in 2025. The difference between the provisional authority and final approved applicable rates were booked as additional ASPA revenue and equity share in net earnings of ₱448.7 million and ₱1.3 billion, respectively, in 2025.

In 2025, TMO also recognized retroactive recoveries from its distribution wheeling service, start-up/shut down costs and VOM indexation were booked as additional ASPA revenue amounting to ₱1.14 billion.

Total sale of power under ASPA amounted to ₱9.77 billion in 2025, ₱6.59 billion in 2024 and ₱4.20 billion in 2023.

d. Retail Electricity Supply Agreements (see Note 40)

Certain subsidiaries have negotiated contracts with contestable customers. These contracts provide supply and delivery of electricity where capacity fees, fixed operating fees and energy fees are at fixed price/kwh or time of use.

Total sale of power under retail electricity supply agreements amounted to ₱42.79 billion, ₱45.87 billion and ₱46.12 billion in 2025, 2024 and 2023, respectively.



22. Purchased Power

Distribution

The Group's distribution utilities entered into contracts with NPC/PSALM and generation companies for the purchase of electricity, and into Transmission Service Agreements with NGCP for the transmission of electricity.

To avail of opportunities in the competitive electricity market, some of the Group's distribution utilities registered as direct participants of WESM.

Total power purchases amounted to ₱32.70 billion, ₱28.55 billion and ₱26.45 billion in 2025, 2024, 2023, respectively.

Generation

Purchased power takes place during periods when power generated from power plants are not sufficient to meet customers' required power as stated in the power supply contracts. Insufficient supply of generated energy results from the shutdowns due to scheduled maintenance or an emergency situation. The Group purchases power from WESM to ensure uninterrupted supply of power and meet the requirements in the power supply contracts.

The Group entered into Replacement Power Contracts with certain related parties (see Note 32). Under these contracts, the Group supplies power to counterparties when additional power is needed. Correspondingly, when faced with energy shortfalls, the Group purchases power from counterparties.

Total purchased power amounted to ₱10.73 billion, ₱9.66 billion and ₱15.43 billion in 2025, 2024 and 2023, respectively.

Retail Electricity Supply

The Group also purchases from WESM in order to supply its contestable customers.

Total purchased power amounted to ₱31.65 billion, ₱29.93 billion and ₱29.58 billion in 2025, 2024 and 2023, respectively.

23. Cost of Generated Power

	2025	2024	2023
Fuel costs (see Note 7)	₱35,174,585	₱40,619,982	₱56,001,318
Steam supply costs (see Note 36)	4,390,549	5,694,787	6,891,818
Energy fees	484,157	630,737	832,137
Wheeling expenses	106,801	107,897	182,310
Ancillary charges	98,501	75,401	65,317
	₱40,254,593	₱47,128,804	₱63,972,900

24. General and Administrative

	2025	2024	2023
Personnel costs (see Note 26)	₱6,831,401	₱4,711,700	₱5,018,077
Outside services (see Note 32)	3,003,916	2,707,649	1,742,578
Taxes and licenses	1,467,152	1,648,634	1,645,867
Professional fees (see Note 32)	1,098,227	1,347,228	1,450,995

(Forward)



	2025	2024	2023
Information technology and communication	₱776,159	₱758,029	₱612,889
Transportation and travel (see Note 32)	555,095	510,681	575,842
Insurance	388,474	602,037	426,869
Corporate social responsibility (CSR) (see Note 40)	276,455	208,691	319,331
Repairs and maintenance	234,215	202,953	274,797
Entertainment, amusement and recreation	155,910	122,307	103,334
Training	132,506	95,002	70,606
Advertisements	107,577	113,359	65,709
Provision for probable losses	103,442	264,695	179,562
Rent (see Notes 32 and 35)	95,919	105,904	146,511
Market service and administrative fees	28,378	22,169	18,902
Freight, handling, gasoline and oil	6,379	56,465	3,363
Provision for (reversal of) expected credit losses of trade receivables (see Note 6)	(318,769)	22,495	(227,964)
Others	657,701	476,590	682,043
	₱15,600,137	₱13,976,588	₱13,109,311

"Others" include host community-related expenses, claims conversion costs and utilities expenses.

25. Operations and Maintenance

	2025	2024	2023
Repairs and maintenance	₱5,678,866	₱4,304,199	₱3,370,485
Personnel costs (see Note 26)	2,994,570	2,630,506	2,404,249
Outside services	2,692,812	2,509,732	2,241,004
Insurance	2,568,228	2,399,063	2,906,036
Taxes and licenses	2,245,336	2,129,744	2,084,788
Materials and supplies (see Note 7)	427,934	406,403	541,679
Transportation and travel	104,994	109,409	103,965
Fuel and lube oil (see Note 7)	5,174	9,990	7,218
Rent (see Note 35)	25,619	10,101	2,751
	₱16,743,533	₱14,509,147	₱13,662,175

26. Personnel Costs

	2025	2024	2023
Salaries and wages	₱6,161,077	₱4,695,799	₱5,982,595
Employee benefits (see Note 27)	3,664,894	2,646,407	1,439,731
	₱9,825,971	₱7,342,206	₱7,422,326



27. Pension Benefit Plans

Under the existing regulatory framework, RA 7641, otherwise known as *The Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity. It further states that the employees' retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The Company and its subsidiaries have funded, non-contributory, defined retirement benefit plans ("Plan") covering all regular and full-time employees and requiring contributions to be made to separately administered funds. The retirement benefit fund ("Fund") of each subsidiary is in the form of a trust being maintained and managed by AEV, under the supervision of the Board of Trustees (BOT) of the Plan. The BOT, whose members are also corporate officers, is responsible for the investment of the Fund assets. Taking into account the Plan's objectives, benefit obligations and risk capacity, the BOT periodically defines the investment strategy in the form of a long-term target structure.

The following tables summarize the components of net benefit expense recognized in the consolidated statements of income and the funded status and amounts recognized in the consolidated balance sheets for the respective plans.

Net benefit expense (recognized as part of personnel costs under operations and maintenance and general and administrative expenses):

	2025	2024	2023
Current service cost	₱422,654	₱389,376	₱368,118
Net interest cost	49,152	62,180	33,725
Past service cost	2,568	(785)	—
	₱474,374	₱450,771	₱401,843

Remeasurement effects to be recognized in other comprehensive income:

	2025	2024	2023
Actuarial gains (losses) due to:			
Changes in financial assumptions	₱37,995	(₱91,745)	(₱287,433)
Changes in demographic assumptions	(177)	(4,567)	(1,527)
Return on assets excluding amount included in net interest cost	(64,192)	93,047	(82,173)
Experience adjustments	108,554	(9,404)	91,221
	₱82,180	(₱12,669)	(₱279,912)

Net pension assets

	2025	2024
Fair value of plan assets	₱1,142,433	₱385,547
Present value of the defined benefit obligation	(1,114,289)	(307,243)
	₱28,144	₱78,304



Net pension liabilities

	2025	2024
Present value of the defined benefit obligation	₱3,227,680	₱3,729,739
Fair value of plan assets	(2,538,643)	(2,839,895)
	₱689,037	₱889,844

Changes in the present value of the defined benefit obligation are as follows:

	2025	2024
At January 1	₱4,036,982	₱3,685,536
Net benefit expense:		
Current service cost	422,654	389,376
Interest cost	250,725	238,041
Past service cost	2,568	(785)
	675,947	626,632
Benefits paid from retirement fund	(222,611)	(422,896)
Benefits paid from operating funds	(6,614)	(7,995)
Foreign exchange translation differences	1,299	24,857
Fund transfer from affiliates	3,338	1,394
Remeasurements in other comprehensive income:		
Actuarial losses (gains) due to:		
Experience adjustments	(108,554)	9,404
Changes in demographic assumptions	177	4,567
Changes in financial assumptions	(37,995)	91,745
	(146,372)	105,716
Others	—	23,738
At December 31	₱4,341,969	₱4,036,982

Changes in the fair value of plan assets are as follows:

	2025	2024
At January 1	₱3,225,442	₱2,822,857
Contribution by employer	555,397	531,004
Interest income included in net interest cost	201,573	175,861
Fund transfer from affiliates	3,338	1,394
Foreign exchange translation differences	(1)	1
Return on assets excluding amount included in net interest cost	(64,192)	93,047
Benefits paid	(222,611)	(422,896)
Others	(17,870)	24,174
At December 31	₱3,681,076	₱3,225,442



Changes in net pension liability recognized in the consolidated balance sheets are as follows:

	2025	2024
At January 1	₱811,540	₱862,679
Retirement expense during the year	474,374	450,771
Benefits paid from operating funds	(6,614)	(7,995)
Contribution to retirement fund	(555,397)	(531,004)
Actuarial loss (gain) recognized during the year	(82,180)	12,669
Foreign exchange translation differences	1,300	24,856
Others	17,870	(436)
At December 31	₱660,893	₱811,540

The fair value of plan assets by each class as at the end of the reporting period are as follows:

	2025	2024
Cash and fixed-income investments	₱1,154	₱551
Financial assets at FVOCI	565,992	603,314
Financial assets at amortized cost	662,196	804,526
Equity instruments:		
Financial Institution	1,086,704	920,046
Power	154,802	193,681
Holding	36,649	120,073
Others	1,173,579	583,251
Fair value of plan assets	₱3,681,076	₱3,225,442

All equity instruments held have quoted prices in active market. The remaining plan assets do not have quoted market prices in active market.

The plan assets are diverse and do not have any concentration risk.

The BOT reviews the performance of the plans on a regular basis. It assesses whether the retirement plans will achieve investment returns which, together with contributions, will be sufficient to pay retirement benefits as they fall due. The Group also reviews the solvency position of the different member companies on an annual basis and estimates, through the actuary, the expected contribution to the Retirement plan in the subsequent year.

The Company's retirement benefit fund for its employees has investments in the equity of the Company. The carrying value of these investments as of December 31, 2025 and 2024 amounted to ₱160.6 million and ₱138 million, respectively. The losses of Fund arising from such investments in 2025 and 2024 amounted to ₱22.6 million and nil, respectively.

The principal assumptions used as of December 31, 2025, 2024 and 2023 in determining pension benefit obligations for the Group's plans are shown below:

	2025	2024	2023
Discount rates	5.93%-7.50%	5.93%-7.27%	5.83%-7.93%
Salary increase rates	7.00%	7.00%	7.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation, assuming if all other assumptions were held constant:



		2025	2024
	Increase (decrease) in basis points	Effect on defined benefit obligation	
Discount rates	100	(P390,885)	(P302,119)
	(100)	359,428	348,945
Future salary increases	100	P396,152	P359,254
	(100)	(383,628)	(316,595)

The Group's defined benefit pension plans are funded by the Company and its subsidiaries.

The Group expects to contribute P607 million to the defined benefit plans in 2026. The average durations of the defined benefit obligation as of December 31, 2025 and 2024 are 4.40 to 20.73 years and 5.20 to 18.65 years, respectively.

28. Other Income

	2025	2024	2023
Surcharges	P561,635	P616,315	P632,134
Rental income	110,018	183,245	224,014
Non-utility operating income	83,568	126,774	99,236
Gain (loss) on disposal/retirement of property, plant and equipment	18,300	(292,280)	12,634
Net foreign exchange gain (loss)	(42,163)	(153,619)	132,865
Write off of project development costs (see Note 13)	(308,180)	(260,284)	(204,546)
Unrealized fair valuation gain on investment property	—	26,200	52,401
Bargain purchase gain and remeasurement of previously held interest - net (see Note 9)	—	—	1,745,655
Others - net	1,326,398	1,067,312	2,159,421
	P1,749,576	P1,313,663	P4,853,814

Included in "Net foreign exchange gain (loss)" are the net gains and losses relating to currency forward transactions (see Note 34).

"Others - net" include derivative gain/loss arising from TLI's commodity hedge amounting to P147.0 million in 2025, P4.2 million in 2024 and P194.0 million in 2023 and other service fees billed in 2025 amounting to P655.0 million, derivative gain/loss arising from ARI's currency forward transactions amounting to nil in 2025, P308.8 million in 2024 and P121.0 million in 2023, insurance claims amounting to P297.0 million in 2025, P303.6 million in 2024 and P1.40 billion in 2023 and CEDI's income from loan condonation amounting to P110.0 million. "Others" also include non-recurring items like sale of scrap and sludge oil, and reversal of provisions.



29. Income Tax

The provision for income tax account consists of:

	2025	2024	2023
Current:			
Corporate income tax	₱6,099,545	₱7,142,864	₱5,346,695
Final tax	298,673	318,997	290,548
	6,398,218	7,461,861	5,637,243
Deferred	221,666	751,075	1,639,622
	₱6,619,884	₱8,212,936	₱7,276,865

Reconciliation between the statutory income tax rate and the Group's effective income tax rates follows:

	2025	2024	2023
Statutory income tax rate	25.00%	25.00%	25.00%
Tax effects of:			
Impairment loss and write-off	9.64%	—%	—%
Nontaxable share in net earnings of associates and joint ventures	(16.65%)	(8.54%)	(11.33%)
Income under income tax holiday (ITH)	(0.96%)	(0.61%)	(1.53%)
Movements in unrecognized deferred income tax assets	5.79%	3.67%	6.88%
Nondeductible interest expense	1.39%	0.39%	0.68%
Nondeductible depreciation expense	1.42%	0.03%	0.64%
Interest income subjected to final tax at lower rates - net	(1.87%)	(1.18%)	(0.90%)
Deductible lease payments	—%	—%	(3.86%)
Others	(1.00%)	(0.88%)	1.05%
	22.76%	17.88%	16.63%



Deferred income taxes of the companies in the Group that are in deferred income tax assets and liabilities position consist of the following at December 31:

	2025	2024
Net deferred income tax assets:		
Net income from commissioning	₱1,243,291	₱1,230,826
Unrealized foreign exchange loss	1,194,962	928,482
Lease liability	514,254	204,524
Net provision for rehabilitation and restoration costs	417,225	385,934
Allowances for impairment and probable losses	207,800	206,037
Pension liability (asset):		
Recognized in other comprehensive income	31,677	39,598
Unamortized contributions for past service	23,380	25,027
Recognized in statements of income	2,875	2,817
Net operating loss carryover (NOLCO)	—	301,553
Unamortized customs duties and taxes capitalized	(28,508)	(30,148)
Right-of-use asset	(478,705)	(138,334)
Difference between the carrying amount of nonmonetary assets and related tax base	(2,022,943)	(1,902,205)
Others	202,694	79,373
Net deferred income tax assets	₱1,308,002	₱1,333,484

	2025	2024
Net deferred income tax liabilities:		
Right-of-use asset	₱7,132,902	₱6,168,658
Difference in treatment of PPA under financial and tax reporting	1,201,072	1,301,638
Unamortized franchise	527,502	546,742
Capitalized interest	94,404	5,927
Fair value adjustments of property, plant and equipment	83,178	88,959
Unrealized foreign exchange gains	26,016	30,000
Derivatives - hedge accounting	25,830	15,809
Unamortized customs duties and taxes capitalized	3,209	3,434
Pension asset (liability):		
Recognized in statements of income	(81,513)	(15,645)
Recognized in other comprehensive income	(35,209)	(50,423)
Unamortized past service cost	(17,975)	(1,795)
Allowances for impairment and probable losses	(397,671)	(373,280)
Lease liability	(2,837,060)	(2,257,839)
Others	(33,343)	16,307
Net deferred income tax liabilities	₱5,691,342	₱5,478,492

In computing for deferred income tax assets and liabilities, the rates used were 25% and 10% as of December 31, 2025 and 2024, which are the rates expected to apply to taxable income in the years in which the deferred income tax assets and liabilities are expected to be recovered or settled, and considering the tax rate for renewable energy (RE) developers as allowed by the Renewable Energy Act of 2008 (see Note 40).

No deferred income tax assets were recognized on the Group's NOLCO and MCIT amounting to ₱27.83 billion and ₱348.2 million, respectively, as of December 31, 2025 and ₱31.31 billion and ₱797.3 million, respectively,



as of December 31, 2024, since management expects that it will not generate sufficient taxable income in the future that will be available to allow all of the deferred income tax assets to be utilized.

Provision for or benefit from deferred income tax on cash flow hedges recognized in other comprehensive income amounted to ₱10.0 million, ₱73.0 million and ₱829.0 million in 2025, 2024, and 2023, respectively.

There are no income tax consequences to the Group attaching to the payment of dividends to its shareholders.

The Organisation for Economic Co-operation and Development (OECD) has published the Global Anti-Base Erosion (GloBE) Model Rules ("Pillar Two Rules"), which subjects multinational enterprises with an annual consolidated group revenue of EUR750 million or more for 2 out of the 4 immediately preceding fiscal years to a minimum 15% tax rate in each of the jurisdictions where they operate.

The Group is a member of a multinational enterprise group that is in-scope for Pillar Two. The Group assessed the applicable Pillar Two tax legislation in all the countries in which its subsidiaries operate to determine whether a Pillar Two 'top-up' tax liability needs to be recognized. However, none of the jurisdictions in which the Group operates has an enacted and effective Pillar Two tax legislation for the current audit period. Hence, the Group does not expect an exposure to Pillar Two income taxes for the year 2025.

Nonetheless, the Group assessed its potential Pillar Two 'top-up tax' exposure for the year ended December 31, 2025 by applying the Transitional CbCR Safe Harbour (TCSH) test to the jurisdictions where it operates. Technically, the TCSH test should be based on a qualified country-by-country report (CbCR) for the year. However, as of the date of these consolidated financial statements, the CbCR for 2025 is not available. Hence, the Group used the most recent information on the financial performance of the Group. Based on the assessment performed, the jurisdictions where the Group operates should benefit from the transitional CbCR safe harbour relief such that there should be no impact to the consolidated financial statements of the Group.

The Group adopts the PAS 12 amendments which allows a mandatory temporary exception from recognizing or disclosing information about deferred tax assets and liabilities related to Pillar Two at December 31, 2024.

30. Earnings Per Common Share

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

	2025	2024	2023
a. Net income attributable to equity holders of the parent	₱19,450,127	₱33,900,184	₱33,101,720
b. Weighted average number of common shares issued and outstanding	7,205,854,307	7,205,854,307	7,318,142,937
Basic and diluted earnings per common share (a/b)	₱2.70	₱4.70	₱4.52

There are no dilutive potential common shares for the years ended December 31, 2025, 2024 and 2023.

31. Operating Segment Information

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



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

- "Power Generation" segment, which is engaged in the generation and supply of power to various customers under power supply contracts, ancillary service procurement agreements and for trading in WESM;
- "Power Distribution" segment, which is engaged in the distribution and sale of electricity to the end-users;
- "Retail Electricity Supply" segment, which is engaged in sales to various off takers that are considered to be eligible contestable customers (see Note 40); and
- "Parent Company and Others", which includes the operations of the Company, and electricity related services of the Group such as installation of electrical equipment.

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

2025

	Power Generation	Power Distribution	Retail Electricity supply	Parent and Others	Total
Revenue from power supply contracts	P64,120,659	P—	P—	P—	P64,120,659
Revenue from distribution services	—	60,199,090	—	—	60,199,090
Revenue from retail electricity sales	—	—	42,785,106	—	42,785,106
Revenue from non-power supply contracts	28,330,889	—	—	—	28,330,889
Revenue from technical and management services	—	—	—	1,955,183	1,955,183
Revenue from interest income on concession contract asset	1,088,353	—	—	—	1,088,353
	P93,539,901	P60,199,090	P42,785,106	P1,955,183	P198,479,280

2024

	Power Generation	Power Distribution	Retail Electricity supply	Parent and Others	Total
Revenue from power supply contracts	P52,751,975	P—	P—	P—	P52,751,975
Revenue from distribution services	—	56,994,259	—	—	56,994,259
Revenue from retail electricity sales	—	—	45,868,950	—	45,868,950
Revenue from non-power supply contracts	40,431,518	—	—	—	40,431,518
Revenue from technical and management services	—	—	—	260,264	260,264
Revenue from interest income on concession contract asset	1,185,291	—	—	—	1,185,291
	P94,368,784	P56,994,259	P45,868,950	P260,264	P197,492,257

2023

	Power Generation	Power Distribution	Retail Electricity supply	Parent and Others	Total
Revenue from power supply contracts	P69,630,934	P—	P—	P—	P69,630,934
Revenue from distribution services	—	53,362,657	—	—	53,362,657
Revenue from retail electricity sales	—	—	46,123,403	—	46,123,403
Revenue from non-power supply contracts	37,164,944	—	—	—	37,164,944
Revenue from technical and management services	—	—	—	101,741	101,741
Revenue from interest income on concession contract asset	716,218	—	—	—	716,218
	P107,512,096	P53,362,657	P46,123,403	P101,741	P207,099,897



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

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

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

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

Capital expenditures consist of additions of property, plant and equipment and intangible asset - service concession rights. Adjustments as shown below include items not presented as part of segment assets and liabilities.

Revenue is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

2025

	Power Generation	Power Distribution	Parent Company/ Others	Eliminations and adjustments	Consolidated
REVENUE					
External	₱93,539,901	₱60,199,090	₱44,740,289	₱—	₱198,479,280
Inter-segment	25,228,884	2,196,310	1,905,972	(29,331,166)	—
Total Revenue	₱118,768,785	₱62,395,400	₱46,646,261	(₱29,331,166)	₱198,479,280
Segment Results	₱30,421,483	₱7,617,962	(₱533,737)	₱—	₱37,505,708
Unallocated corporate income - net	(12,128,146)	822,514	(645,944)	—	(11,951,576)
INCOME FROM OPERATIONS	18,293,337	8,440,476	(1,179,681)	—	25,554,132
Interest expense and other financing costs	(9,813,755)	(1,246,144)	(6,928,057)	—	(17,987,956)
Interest income	799,415	29,715	1,316,086	—	2,145,216
Share in net earnings of associates and joint ventures	17,976,927	326,321	27,159,409	(26,093,173)	19,369,484
Provision for income tax	(4,270,194)	(1,684,361)	(665,329)	—	(6,619,884)
NET INCOME	₱22,985,730	₱5,866,007	₱19,702,428	(₱26,093,173)	₱22,460,992
OTHER INFORMATION					
Investments	₱157,213,308	₱1,305,784	₱306,737,386	(₱305,812,398)	₱159,444,080
Capital Expenditures	₱22,049,193	₱5,412,275	₱1,039,885	₱—	₱28,501,353
Segment Assets	₱416,660,191	₱54,275,616	₱362,683,426	(₱210,821,381)	₱622,797,852
Segment Liabilities	₱223,779,486	₱44,313,816	₱138,246,706	₱1,817,670	₱408,157,678
Depreciation and Amortization	₱11,200,051	₱1,697,636	₱252,809	₱145,018	₱13,295,514



2024

	Power Generation	Power Distribution	Parent Company/ Others	Eliminations and Adjustments	Consolidated
REVENUE					
External	P94,368,784	P56,994,259	P46,129,214	P—	P197,492,257
Inter-segment	26,296,812	1,900,553	1,630,983	(29,828,348)	—
Total Revenue	P120,665,596	P58,894,812	P47,760,197	(P29,828,348)	P197,492,257
Segment Results	P32,696,278	P7,291,741	P1,206,893	P—	P41,194,912
Unallocated corporate income - net	916,428	1,390,463	(625,801)	—	1,681,090
INCOME FROM OPERATIONS	33,612,706	8,682,204	581,092	—	42,876,002
Interest expense and other financing costs	(9,560,150)	(1,089,233)	(3,951,340)	—	(14,600,723)
Interest income	931,981	10,186	1,032,077	—	1,974,244
Share in net earnings of associates and joint ventures	15,359,529	298,967	38,744,821	(38,709,894)	15,693,423
Provision for income tax	(5,557,968)	(1,877,103)	(777,865)	—	(8,212,936)
NET INCOME	P34,786,098	P6,025,021	P35,628,785	(P38,709,894)	P37,730,010
OTHER INFORMATION					
Investments	P93,704,224	P1,357,892	P257,342,753	(P256,476,127)	P95,928,742
Capital Expenditures	P18,962,813	P4,209,667	P388,556	P—	P23,561,036
Segment Assets	P326,511,326	P48,737,597	P331,253,486	(P188,886,342)	P517,616,067
Segment Liabilities	P169,650,972	P37,657,868	P96,941,576	(P2,531,031)	P301,719,385
Depreciation and Amortization	P10,671,162	P1,543,818	P178,421	P145,018	P12,538,419

2023

	Power Generation	Power Distribution	Parent Company/ Others	Eliminations and Adjustments	Consolidated
REVENUE					
External	P107,512,096	P53,362,657	P46,225,144	P—	P207,099,897
Inter-segment	29,863,841	1,493,010	2,237,039	(33,593,890)	—
Total Revenue	P137,375,937	P54,855,667	P48,462,183	(P33,593,890)	P207,099,897
Segment Results	P26,653,576	P5,659,847	(P528,344)	P—	P31,785,079
Unallocated corporate income - net	2,082,410	1,148,555	1,402,849	—	4,633,814
INCOME FROM OPERATIONS	28,735,986	6,808,402	874,505	—	36,418,893
Interest expense and other financing costs	(9,516,111)	(959,077)	(3,686,458)	—	(14,161,646)
Interest income	947,689	5,078	714,511	—	1,667,278
Share in net earnings of associates and joint ventures	19,536,583	263,119	35,656,243	(35,638,171)	19,817,774
Provision for income tax	(5,136,516)	(1,386,234)	(754,115)	—	(7,276,865)
NET INCOME	P34,567,631	P4,731,288	P32,804,686	(P35,638,171)	P36,465,434
OTHER INFORMATION					
Investments	P89,882,685	P1,255,813	P234,330,987	(P233,910,627)	P91,558,858
Capital Expenditures	P13,488,658	P4,957,626	P745,452	P—	P19,191,736
Segment Assets	P406,202,957	P44,649,741	P271,124,482	(P234,953,874)	P487,023,306
Segment Liabilities	P183,360,851	P34,703,587	P78,291,949	(P3,307,446)	P293,048,941
Depreciation and Amortization	P11,383,810	P1,485,610	P95,124	P145,018	P13,109,562



32. Related Party Disclosures

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

The Group enters into transactions with its parent, associates, joint ventures and other related parties, principally consisting of the following:

- a. The Company provides services to certain associates and joint ventures such as technical and legal assistance for various projects and other services.
- b. Energy fees are billed by the Group to related parties and the Group also purchased power from associates and joint ventures, arising from the following:
 - PPA/PSA or ESA (see Note 21)
 - Replacement power contracts (see Note 22)
- c. AEV provides human resources, internal audit, legal, treasury and corporate finance services, among others, to the Group and shares with the member companies the business expertise of its highly qualified professionals. Transactions are priced based on agreed rates, and billed costs are always benchmarked to third party rates. Service level agreements are in place to ensure quality of service. This arrangement enables the Group to maximize efficiencies and realize cost synergies. These transactions result to professional and technical fees paid by the Group to AEV (see Note 24).
- d. Aviation services are rendered by AAI, an associate, to the Group.
- e. Lease of commercial office units by the Group from Cebu Praedia Development Corporation (CPDC) and Aboitizland, Inc. and subsidiaries. CPDC and Aboitizland, Inc. are subsidiaries of AEV.
- f. Aboitiz Construction, Inc. (ACI), a wholly owned subsidiary of ACO, rendered its services to the Group for various construction projects.
- g. LEZ entered into a Concession Agreement with Lima Land, Inc. (LLI) for which it is entitled to the exclusive right to distribute and supply electricity to LLI's locators.
- h. Interest-bearing advances from AEV and subsidiaries availed by the Group. The annual interest rates are determined on arm's length basis.
- i. TLI entered into a contract for difference with SNAP-Magat to pay with respect to the difference between the strike price and the reference price for a specified electricity quantity.
- j. Cash deposits with Union Bank of the Philippines (UBP) earn interest at prevailing market rates (see Note 5). UBP is an associate of AEV.

The above transactions are settled in cash.

The consolidated balance sheets and consolidated statements of income include the following significant account balances resulting from the above transactions with related parties:



a. Revenue - Technical, management and other fees

	Revenue			Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
<i>AEV and subsidiaries</i>							
Aboitiz InfraCapital, Inc.	P—	P—	P—	P255	P—	30-day; interest-free	No impairment; unsecured
Apo Agua Infraestructura, Inc.	—	—	7,146	—	—	30-day; interest-free	No impairment; unsecured
<i>Associates and joint ventures</i>							
GNPD	103,229	153,224	44,910	20	37,551	30-day; interest-free	No impairment; unsecured
SFELAPCO	33,926	25,369	25,875	—	4,978	30-day; interest-free	No impairment; unsecured
SNAP M	8,124	7,500	7,500	368	1,250	30-day; interest-free	No impairment; unsecured
SNAP B	8,124	7,500	16,309	556	3,381	30-day; interest-free	No impairment; unsecured
	P153,403	P193,593	P101,740	P1,199	P47,160		

b. Revenue - Sale of power

	Revenue			Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
<i>AEV and subsidiaries</i>							
Pilmico Foods Corporation	₱126,852	₱43,930	₱124,383	₱6,216	₱11,593	30-day; interest-free	No impairment; unsecured
Pilmico Animal Nutrition Corporation	164,081	127,068	—	16,342	11,065	30-day; interest-free	No impairment; unsecured
Lima Land, Inc.	78,299	77,690	44,118	—	5,994	30-day; interest-free	No impairment; unsecured
Lima Water Corporation	20,172	24,606	25,315	113	1,224	30-day; interest-free	No impairment; unsecured
Aboitizland, Inc.	20,592	24,878	18,907	316	1,484	30-day; interest-free	No impairment; unsecured
Cebu Industrial Park Developer's, Inc.	2,455	2,809	2,434	220	1,896	30-day; interest-free	No impairment; unsecured
GMR Megawide Cebu Airport Corporation	5,662	278,970	—	—	34,794	30-day; interest-free	No impairment; unsecured
APO Agua Infraestructura, Inc.	3,031	7,797	—	91	1,212	30-day; interest-free	No impairment; unsecured
<i>Associates and joint ventures</i>							
SFELAPCO	2,457,617	458,136	237,293	1,785	58,870	30-day; interest-free	No impairment; unsecured
GNPD	4,144,220	60,647	167,879	60,254	1,329	30-day; interest-free	No impairment; unsecured
SNAP M	560,105	732,134	732,471	67,739	7,659	30-day; interest-free	No impairment; unsecured
SNAP RES	56,809	58,467	46,471	1,798	6,144	30-day; interest-free	No impairment; unsecured
SNAP B	114,680	70,606	251,733	31,841	1,183	30-day; interest-free	No impairment; unsecured
CEDC	28,245	—	—	1,286	—	30-day; interest-free	No impairment; unsecured
WMPC	821	—	—	51	—	30-day; interest-free	No impairment; unsecured

(Forward)



	Revenue			Receivable			
	2025	2024	2023	2025	2024	Terms	Conditions
Associates and joint ventures of AEV							
Republic Cement & Building Materials, Inc.	P1,696,646	P1,938,675	P2,322,855	P644,526	P167,336	30-day; interest-free	No impairment; unsecured
Tsuneishi Heavy Industries Cebu, Inc. (a joint venture of ACO and Tsuneishi Group)	456,186	411,485	193,177	4,336	25,812	30-day; interest-free	No impairment; unsecured
Aboitiz Construction International, Inc.	15,374	11,401	3,844	—	1,722	30-day; interest-free	No impairment; unsecured
Aboitiz Construction Inc.	—	115	—	—	11	30-day; interest-free	No impairment; unsecured
Coca Cola Beverages Phils Inc.	938,523	223,709	—	—	46,970	30-day; interest-free	No impairment; unsecured
	P10,890,370	P4,553,123	P4,170,880	P836,914	P386,298		

c. Cost of purchased power

	Purchases			Payable		Terms	Condition
	2025	2024	2023	2025	2024		
AEV and subsidiaries							
AIPL	P25,593,139	P19,980,003	P10,123,754	P2,169,075	P5,711	30-day; interest-free	Unsecured
Associates and Joint Ventures							
CEDC	4,225,831	4,404,767	6,521,068	57,093	394,295	30-day; interest-free	Unsecured
SNAP M	1,948,000	1,926,407	1,318,600	253,535	8,280	30-day; interest-free	Unsecured
SFELAPCO	153,132	130,266	113,305	14,366	14,760	30-day; interest-free	Unsecured
SNAP B	1,032,382	1,414,292	821,815	71,576	6,585	30-day; interest-free	Unsecured
SNAP RES	174	20,684	—	77	412	30-day; interest-free	Unsecured
GNPD	16,317,304	15,462,401	15,740,852	1,270,078	1,770,940	30-day; interest-free	Unsecured
WMPC	96,220	—	—	25,627	—	30-day; interest-free	Unsecured
	P49,366,182	P43,338,820	P34,639,394	P3,861,427	P2,200,983		



d. Expenses

	Nature	Purchases/Expenses			Payable		Terms	Condition
		2025	2024	2023	2025	2024		
Ultimate Parent								
ACO	Professional fees	P4,200	P5,150	P6,300	P—	P—	30-day; interest-free	Unsecured
AEV and subsidiaries								
AEV	Professional and Technical fees	976,351	409,338	241,803	—	9,859	30-day; interest-free	Unsecured
Lima Land, Inc.	Concession fees	99,719	105,004	94,155	962	9,377	30-day; interest-free	Unsecured
Lima Land, Inc.	Rental	—	8,468	19,050	—	—	30-day; interest-free	Unsecured
AAI	Aviation Services	106,104	85,619	37,835	3,332	1,799	30-day; interest-free	Unsecured
SNAP M	CFD charges	—	—	—	—	—	30-day; interest-free	Unsecured
RCBM	Generation fees	62,550	59,555	11,846	63,974	32,587	30-day; interest-free	Unsecured
CPDC	Rental	17,267	8,202	24,730	252	89	30-day; interest-free	Unsecured
Aboltizland, Inc. and subsidiaries	Rental	572	438	—	473	—	30-day; interest-free	Unsecured
CPDC	Professional and Technical fees	743	—	—	—	—	30-day; interest-free	Unsecured
ACI	Professional and Technical fees	798,595	319,556	—	42,128	7,971	30-day; interest-free	Unsecured
		P2,066,101	P1,001,330	P435,719	P111,121	P61,682		

e. Capitalized construction and rehabilitation costs

	Purchases			Payable		Terms	Condition
	2025	2024	2023	2025	2024		
<i>Investee of ACO</i>							
ACI	P—	P—	P296,759	P—	—	30-day; interest-free	Unsecured

f. Loans payable

	Interest Expense			Payable		Terms	Conditions
	2025	2024	2023	2025	2024		
Parent							
AEV	P—	P—	Ⓓ19,546	P—	P—	Loan agreement; interest-bearing	Unsecured

g. Cash deposits and placements with UBP

	Interest Income			Outstanding Balance		Terms	Conditions
	2025	2024	2023	2025	2024		
TPI and subsidiaries	P208,947	P308,308	P255,220	P5,242,212	P3,233,623	90 days or less; interest-bearing	No impairment; unsecured
Company ARI and subsidiaries	18,094	35,593	26,024	334,585	205,646	90 days or less; interest-bearing	No impairment; unsecured
VECO	230,093	206,483	310,155	12,343,436	4,079,106	90 days or less; interest-bearing	No impairment; unsecured
DLP	11,119	3,514	1,208	630,464	452,697	90 days or less; interest-bearing	No impairment; unsecured
	8,425	2,876	762	292,643	746,220	90 days or less; interest-bearing	No impairment; unsecured

(Forward)



	Interest Income			Outstanding Balance		Terms	Conditions
	2025	2024	2023	2025	2024		
CPPC	₱5,237	₱2,000	₱928	₱114,293	₱191,511	90 days or less; interest-bearing	No impairment; unsecured
AESI	21,278	4,221	3,789	1,222,443	1,146,295	90 days or less; interest-bearing	No impairment; unsecured
AI	28,547	28,115	4,106	1,227,098	2,177,718	90 days or less; interest-bearing	No impairment; unsecured
SEZ	774	627	253	127,249	159,582	90 days or less; interest-bearing	No impairment; unsecured
EAUC	27,262	5,241	843	1,050,346	251,138	90 days or less; interest-bearing	No impairment; unsecured
CLP	644	530	55	93,307	69,082	90 days or less; interest-bearing	No impairment; unsecured
LEZ	5,492	926	25	364,361	366,011	90 days or less; interest-bearing	No impairment; unsecured
PEI	42	47	88	41,423	44,237	90 days or less; interest-bearing	No impairment; unsecured
MEZ	678	189	110	22,506	44,867	90 days or less; interest-bearing	No impairment; unsecured
BEZ	218	116	96	20,975	21,459	90 days or less; interest-bearing	No impairment; unsecured
MVEZ	91	49	10	25,939	1,696	90 days or less; interest-bearing	No impairment; unsecured
TEZ	1,226	—	—	68,425	25,000	90 days or less; interest-bearing	No impairment; unsecured
1882EV	3,626	703	—	541,138	86,201	90 days or less; interest-bearing	No impairment; unsecured
APEMI	401	—	—	64,153	41,000	90 days or less; interest-bearing	No impairment; unsecured
SOLVIVA	794	924	—	34,264	77,820	90 days or less; interest-bearing	No impairment; unsecured
AP Int.	4,921	10,226	279	419,359	546,141	90 days or less; interest-bearing	No impairment; unsecured
ASPI	56	—	—	29,643	—	90 days or less; interest-bearing	No impairment; unsecured
P2P	231	—	—	480,251	—	90 days or less; interest-bearing	No impairment; unsecured
PPI	76	—	—	37,085	—	90 days or less; interest-bearing	No impairment; unsecured
CLPI	—	—	—	1,000	—	90 days or less; interest-bearing	No impairment; unsecured
CPEC	—	—	—	103	—	90 days or less; interest-bearing	No impairment; unsecured

(Forward)



	Interest Income			Outstanding Balance		Terms	Conditions
	2025	2024	2023	2025	2024		
C10PI	₱—	₱—	₱—	₱5,020	₱—	90 days or less; interest-bearing	No impairment; unsecured
NSEI	—	—	—	1,000	—	90 days or less; interest-bearing	No impairment; unsecured
RLPI	—	—	—	1,000	—	90 days or less; interest-bearing	No impairment; unsecured
VLPI	—	—	—	1,000	—	90 days or less; interest-bearing	No impairment; unsecured
HLPC	—	—	—	149	—	90 days or less; interest-bearing	No impairment; unsecured
OLPC	—	—	—	150	—	90 days or less; interest-bearing	No impairment; unsecured
PENEC	—	—	—	149	—	90 days or less; interest-bearing	No impairment; unsecured
	₱578,272	₱610,688	₱603,951	₱24,837,169	₱13,967,050		

The Company's Fund is in the form of a trust being maintained and managed by AEV. In 2025 and 2024, other than contributions to the Fund, no transactions occurred between the Company or any of its direct subsidiaries and the Fund.

Compensation of BOD and key management personnel of the Group follows:

	2025	2024	2023
Short-term benefits	₱739,723	₱749,670	₱236,237
Post-employment benefits	26,782	5,850	5,980
	₱766,505	₱755,520	₱242,217

33. Financial Risk Management Objectives and Policies

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

The Group also enters into derivative transactions, particularly foreign currency forwards to economically hedge its foreign currency risk from foreign currency denominated liabilities and purchases, commodity swap contracts to hedge the price volatility of forecast coal purchases and interest rate swap agreement to hedge the variability in the interest cash flow of its LIBOR loan.

Risk Management Structure

The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Group.

Financial risk committee

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

Treasury service group

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

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



Liquidity risk

Liquidity risk is the risk of not meeting obligations as they become due because of the inability to liquidate assets or obtain adequate funding. The Group maintains sufficient cash and cash equivalents to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet maturing obligations and pay any dividend declarations.

In managing its long-term financial requirements, the Group's policy is that not more than 25% of long-term borrowings should mature in any twelve-month period. As of December 31, 2025, 10.39% of the Group's debt will mature within one year, compared to 7.31% of the Group's total debt as of December 31, 2024. For its short-term funding, the Group's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

The financial assets that will be principally used to settle the financial liabilities presented in the following table are from cash and cash equivalents amounting to ₱58.93 billion and ₱56.76 billion as of December 31, 2025 and 2024, respectively, and trade and other receivables amounting to ₱38.69 billion and ₱36.59 billion as of December 31, 2025 and 2024, respectively. Cash and cash equivalents can be withdrawn anytime while trade and other receivables are expected to be collected/realized within one year.

The following tables summarize the maturity profile of the Group's financial liabilities as of December 31, 2025 and 2024 based on contractual undiscounted payments including future interest:

December 31, 2025

	Total carrying value	Contractual undiscounted payments				
		Total	On demand	<1 year	1 to 5 years	> 5 years
Short-term loans	₱80,008,900	₱80,197,637	₱—	₱80,197,637	₱—	₱—
Trade and other payables	52,732,584	52,732,584	3,417,355	46,323,813	2,991,416	—
Long-term debts	247,539,464	300,877,673	—	44,063,633	174,652,112	82,161,928
Customers' deposits	11,207,947	11,207,947	—	454,277	463,092	10,290,578
Lease liabilities	4,978,522	10,355,647	—	416,028	1,928,882	8,010,737
Long-term obligation on PDS	68,560	105,729	—	40,000	65,729	—
Derivative liabilities	70,599	70,599	—	70,599	—	—
	₱396,606,576	₱455,547,816	₱3,417,355	₱171,565,987	₱180,101,231	₱100,463,243

December 31, 2024

	Total Carrying Value	Contractual undiscounted payments				
		Total	On demand	<1 year	1 to 5 years	> 5 years
Short-term loans	₱25,035,435	₱25,135,409	₱—	₱25,135,409	₱—	₱—
Trade and other payables	30,438,828	30,438,828	2,630,825	27,808,003	—	—
Long-term debts	213,719,266	232,933,665	—	20,676,332	150,618,861	61,638,472
Customers' deposits	9,968,998	9,968,998	—	453,107	477,817	9,038,074
Lease liabilities	4,445,893	8,412,674	—	283,040	1,512,107	6,617,527
Long-term obligation on PDS	97,238	120,000	—	40,000	80,000	—
Derivative liabilities	233,616	233,616	—	229,918	3,698	—
	₱283,939,274	₱307,243,190	₱2,630,825	₱74,625,809	₱152,692,483	₱77,294,073

Market risk

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



Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to its long-term debt obligations. To manage this risk, the Group determines the mix of its debt portfolio as a function of the level of current interest rates, the required tenor of the loan, and the general use of the proceeds of its various fund raising activities. As of December 31, 2025, 12% of the Group's long-term debt had annual floating interest rates ranging from 1.5% to 7.68%, and 88% have annual fixed interest rates ranging from 4.27% to 9%. As of December 31, 2024, 7% of the Group's long-term debt had annual floating interest rates ranging from 1.5% to 7.68%, and 93% have annual fixed interest rates ranging from 4.27% to 9%.

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

As of December 31, 2025

	<1 year	1-5 years	>5 years	Total
Floating rate - long-term debt	₱1,964,616	₱14,724,167	₱11,939,609	₱28,628,392

As of December 31, 2024

	<1 year	1-5 years	>5 years	Total
Floating rate - long-term debt	₱1,834,178	₱12,529,622	₱162,494	₱14,526,294

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are noninterest-bearing and are therefore not subject to interest rate risk. The Group's derivative assets and liabilities are subject to fair value interest rate risk (see Note 34).

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

	Increase (decrease) in basis points	Effect on income before tax
December 2025	100	(₱286,284)
	(100)	286,284
December 2024	100	(₱145,263)
	(100)	145,263

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

The interest expense and other finance charges recognized according to source are as follows:

	2025	2024	2023
Short-term loans and long-term debt (see Notes 16 and 17)	₱17,250,905	₱13,891,846	₱12,409,419
Lease liabilities (see Note 35)	342,164	266,546	1,283,213
Loss on loan extinguishment (see Note 17)	50,000	—	8,586
Customers' deposits (see Note 18)	2,292	2,245	2,492
Other long-term obligations (see Notes 19)	342,595	440,086	457,936
	₱17,987,956	₱14,600,723	₱14,161,646



Commodity Price Risk

Commodity price risk of the Group arises from transactions on the world commodity markets to secure the supply of fuel, particularly coal, which is necessary for the generation of electricity.

The Group's Coal power plant operations depend on the ongoing supply of coal. Any disruption in coal supply, whether due to market shortages, regulatory restrictions, or logistical issues, could affect production and cost of sales. Management mitigates this risk by maintaining relationships with multiple suppliers, monitoring supply levels, and exploring alternative fuel sources. Based on current assessments, these risks are not expected to have a material impact on the carrying amounts of assets as at reporting date.

The Group's objective is to minimize the impact of commodity price fluctuations and this exposure is hedged in accordance with the Group's commodity price risk management strategy. The Group enters into commodity swap contracts to hedge price volatility arising from fixed-price sales contracts. These swaps are designated as cash flow hedges to mitigate the impact of fluctuations in coal prices.

Foreign exchange risk

The foreign exchange risk of the Group pertains significantly to its foreign currency denominated obligations. To manage its foreign exchange risk, stabilize cash flows and improve investment and cash flow planning, the Group enters into foreign currency forward contracts aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on financial performance and cash flows. Foreign currency denominated borrowings account for 14.11% and 14.11% of total consolidated borrowings as of December 31, 2025 and 2024, respectively.

Presented below are the Group's foreign currency denominated financial assets and liabilities translated to Philippine Peso:

	December 31, 2025		December 31, 2024	
	US Dollar	Philippine Peso equivalent ¹	US Dollar	Philippine Peso equivalent ²
Financial assets:				
Cash and cash equivalents	\$74,006	P4,350,813	\$214,008	P12,379,293
Trade and other receivables	19,048	1,119,841	2,443	141,315
Advances to associates	20	1,176	21	1,215
Total financial assets	93,074	5,471,830	216,472	12,521,823
Financial liabilities:				
Trade and other payables	16,190	951,810	3,753	217,092
Long-term debt	161,059	9,458,660	—	—
Total financial liabilities	177,249	10,420,470	3,753	217,092
Total net financial assets (liabilities)	(\$84,175)	(P4,948,640)	\$212,719	P12,304,731

¹US\$1 = P58.79

²US\$1 = P57.85

The following table demonstrates the sensitivity to a reasonable possible change in the US dollar exchange rates, with all other variables held constant, of the Group's income before tax as of December 31:

	Increase (decrease) in US Dollar	Effect on income before tax
2025		
US Dollar denominated accounts	US Dollar strengthens by 5%	(P247,432)
US Dollar denominated accounts	US Dollar weakens by 5%	247,432
2024		
US Dollar denominated accounts	US Dollar strengthens by 5%	P615,237
US Dollar denominated accounts	US Dollar weakens by 5%	(615,237)

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



The following table presents LHC's, GMEC's, SPI's and PIPL's foreign currency denominated assets and liabilities:

	2025		2024	
	Philippine Peso	US Dollar Equivalent ¹	Philippine Peso	US Dollar Equivalent ²
Financial assets:				
Cash and cash equivalents	₱8,912,474	\$151,598	₱6,989,954	\$120,839
Trade and other receivables	6,643,458	113,003	11,077,046	191,495
	15,555,932	264,601	18,067,000	312,334
Financial liabilities:				
Trade and other payables	7,254,337	123,394	8,480,737	146,611
Net foreign currency denominated assets	₱8,301,595	\$141,207	₱9,586,263	\$165,723

¹US\$1 = ₱58.79

²US\$1 = ₱57.85

The following tables demonstrate the sensitivity to a reasonable possible change in the US dollar exchange rate in relation to Philippine peso, with all variables held constant, of the Group's income before tax as of December 31:

	Effect on income before tax	
	2025	2024
US Dollar appreciates against Philippine peso by 5.0%	(\$7,060)	(\$8,286)
US Dollar depreciates against Philippine peso by 5.0%	7,060	8,286

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

Credit risk

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

Concentration risk

Credit risk concentration of the Group's receivables according to the customer category as of December 31, 2025 and 2024 is summarized in the following table:

	2025	2024
Power distribution:		
Industrial	₱12,425,914	₱11,415,839
Residential	3,783,690	3,363,528
Commercial	1,225,834	1,135,639
City street lighting	121,045	36,456
Power generation:		
Power supply contracts	16,449,616	9,990,081
Spot market	4,571,461	4,633,995
	₱38,577,560	₱30,575,538



The above receivables were provided with allowance for ECL amounting to ₱3.16 billion and ₱3.51 billion as of December 31, 2025 and 2024, respectively (see Note 6).

The following are the details of the Group's assessment of credit quality and the related ECLs as at December 31, 2025 and 2024:

2025					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
Gross carrying amount	₱79,383,982	₱—	₱—	₱38,577,560	₱117,961,542
Loss allowance	—	—	—	3,163,485	3,163,485
Carrying amount	₱79,383,982	₱—	₱—	₱35,414,075	₱114,798,057

2024					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
Gross carrying amount	₱81,275,422	₱—	₱—	₱30,575,538	₱111,850,960
Loss allowance	—	—	—	3,512,890	3,512,890
Carrying amount	₱81,275,422	₱—	₱—	₱27,062,648	₱108,338,070

Trade and other receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments and accounts under dispute and legal proceedings.

The Group evaluated its cash and cash equivalents and restricted cash as high quality financial assets since these are placed in financial institutions of high credit standing.

With respect to other receivables, investments in equity securities and derivative assets, the Group evaluates the counterparty's external credit rating in establishing credit quality.

Below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

December 31, 2025

	Expected credit loss					Total
	Current	< 30 days	31 - 60 days	61 - 90 days	Over 90 days	
Expected credit loss rate	0.47%	1.44%	3.49%	0.25%	93.03%	
Estimated total gross carrying amount at default	₱26,205,662	₱3,083,524	₱1,176,236	₱4,948,653	₱3,163,485	₱38,577,560
Expected credit loss	122,690	44,387	41,066	12,484	2,942,858	3,163,485

December 31, 2024

	Expected credit loss					Total
	Current	< 30 days	31 - 60 days	61 - 90 days	Over 90 days	
Expected credit loss rate	0.75%	1.89%	2.40%	1.01%	92.91%	
Estimated total gross carrying amount at default	₱20,392,594	₱2,339,373	₱621,889	₱3,708,792	₱3,512,890	₱30,575,538
Expected credit loss	152,294	44,220	14,954	37,473	3,263,950	3,512,890



The tables below show the Group's aging analysis of financial assets:

December 31, 2025

	Total	Current	Less than 30 days	31 days to 60 days	Over 60 days	Individually impaired
Cash and cash equivalents:						
Cash on hand and in banks	P13,926,853	P13,926,853	P—	P—	P—	P—
Short-term deposits	45,005,208	45,005,208	—	—	—	—
	58,932,061	58,932,061	—	—	—	—
Trade receivables:						
Power supply contracts	16,449,616	12,888,547	1,077,559	653,914	1,261,558	568,038
Spot market	4,571,461	1,163,842	466,569	40,821	1,396,017	1,504,212
Industrial	12,425,914	9,810,158	564,064	274,494	877,920	899,278
Residential	3,783,690	1,658,118	769,212	155,746	1,044,896	155,718
Commercial	1,225,834	666,536	198,050	41,650	292,625	26,973
City street lighting	121,045	18,461	8,070	9,611	75,637	9,266
	38,577,560	26,205,662	3,083,524	1,176,236	4,948,653	3,163,485
Other receivables	5,795,298	5,763,492	88	25	31,593	—
Concession contract asset	8,086,992	8,086,992	—	—	—	—
Restricted cash	6,569,631	6,569,631	—	—	—	—
Total	P117,961,542	P105,557,838	P3,083,612	P1,176,261	P4,980,346	P3,163,485

December 31, 2024

	Total	Current	Less than 30 days	31 days to 60 days	Over 60 days	Individually impaired
Cash and cash equivalents:						
Cash on hand and in banks	P7,812,135	P7,812,135	P—	P—	P—	P—
Short-term deposits	48,947,162	48,947,162	—	—	—	—
	56,759,297	56,759,297	—	—	—	—
Trade receivables:						
Power supply contracts	9,990,081	7,597,501	590,050	140,696	1,196,275	465,559
Spot market	4,633,995	1,948,875	159,084	78,959	719,374	1,727,703
Industrial	11,415,839	8,544,763	632,408	238,474	924,176	1,076,018
Residential	3,363,528	1,631,570	744,133	130,675	660,509	196,641
Commercial	1,135,639	649,112	207,974	32,576	202,066	43,911
City street lighting	36,456	20,773	5,724	509	6,392	3,058
	30,575,538	20,392,594	2,339,373	621,889	3,708,792	3,512,890
Other receivables	9,530,597	9,514,080	397	154	15,966	—
Concession contract asset	8,886,664	8,886,664	—	—	—	—
Restricted cash	6,098,865	6,098,865	—	—	—	—
Total	P111,850,961	P101,651,500	P2,339,770	P622,043	P3,724,758	P3,512,890

Capital Management

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

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

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



Gearing ratios of the Group as of December 31, 2025 and 2024 are as follows:

	2025	2024
Short-term loans	₱80,008,900	₱25,035,435
Long-term debt	247,539,464	213,719,266
Lease liabilities	4,978,522	4,445,893
Cash and cash equivalents	(58,932,061)	(56,759,297)
Restricted cash	(6,569,631)	(6,098,865)
Net debt (a)	267,025,194	180,342,432
Equity	214,640,174	215,896,682
Equity and net debt (b)	481,665,368	396,239,114
Gearing ratio (a/b)	55.44%	45.51%

Part of the Group's capital management is to ensure that it meets financial covenants attached to long-term borrowings. Breaches in meeting the financial covenants would permit the banks to immediately call loans and borrowings. The Group is in compliance with the financial covenants attached to its long-term debt as of December 31, 2025 and 2024 (see Note 17).

Certain entities within the Group that are registered with the BOI are required to raise a minimum amount of capital in order to avail of their registration incentives. As of December 31, 2025 and 2024, these entities have complied with the requirement as applicable (see Note 37).

No changes were made in the objectives, policies or processes during the years ended December 31, 2025 and 2024.

34. Financial Instruments

Fair Value of Financial Instruments

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

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

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

	December 31, 2025		December 31, 2024	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Asset				
Concession contract asset	₱8,086,992	₱9,275,667	₱8,886,664	₱10,167,633
Financial Liabilities				
Long-term debt - fixed rate	247,539,464	237,419,174	199,192,972	197,985,928
Long-term obligation on power distribution system	68,560	79,261	97,238	119,261
	₱247,608,024	₱237,498,435	₱199,290,210	₱198,105,189



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

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

Fixed-rate borrowings. The fair value of fixed rate interest-bearing loans is based on the discounted value of future cash flows using the applicable rates for similar types of loans. Interest-bearing loans were discounted using credit-adjusted interest rates ranging from 5.87% to 7.22% in 2025 and 4.82% to 7.89% in 2024.

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

Concession contract asset. The fair value of the concession contract asset is calculated by discounting expected future cash flows at prevailing market rates. Discount rate used in discounting the asset is 7.60% in 2025 and 7.89% in 2024.

Long-term obligation on PDS. The fair value of the long-term obligations on power distribution system is calculated by discounting expected future cash flows at prevailing market rates. Discount rates used in discounting the obligation ranges from 3.94% to 5.94% in 2025 and 2024.

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

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

Derivative financial instruments. The fair value of forward contracts is calculated by reference to prevailing interest rate differential and spot exchange rate as of valuation date, taking into account its remaining term to maturity. The fair value of the IRS and interest rate cap are determined by generally accepted valuation techniques with reference to observable market data such as interest rates.

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

The Group also entered into deliverable and non-deliverable short-term forward contracts with counterparty banks to manage its foreign currency risks associated with foreign currency-denominated liabilities, purchases and highly probable forecasted purchases.

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

IRS

On September 29, 2017, GMEC entered into an IRS agreement to hedge the variability in the interest cash flows on the entire amount of its LIBOR Loan (see Note 17), which bears interest based on six-month US LIBOR. Under the swap agreement, GMEC pays a fixed rate of 2.18% and receives six-month US LIBOR, semi-annually from March 29, 2018 until September 27, 2024. The IRS settlement dates coincide with the semi-annual interest payment dates of the NFA. GMEC designated the swap as a cash flow hedge. Due to the demise of LIBOR effective June 30, 2023, GMEC has transitioned to the adoption of US\$ Secured Overnight Financing Rate (SOFR), compounded in arrears and a credit adjustment of 35 basis points. GMEC did not renew the swap after its maturity in September 2024.



Dollar-Hold

In 2024, certain USD-denominated cash and cash equivalents in various banks aggregating to \$98.3 million are designated as hedging instrument for the foreign currency risk of the \$98.3 million portion of \$712.3 million highly probable forecasted acquisition.

There is an economic relationship between the hedged item and the hedging instrument since the critical terms of the forecasted acquisition costs and the USD-denominated cash and cash equivalents (notional amount and currency denomination) are matched. The hedge ratio is 1:1 as the notional amount of the hedging instrument exactly matches the notional amount of the hedged portion of the USD-denominated forecasted acquisition costs.

A possible source of ineffectiveness could be the impact of the time value of money due to the timing of the highly probable forecasted acquisition. Nonetheless, since the expected acquisition is highly probable within the next twelve months, the impact of the time value of money might be considered insignificant.

Foreign currency forward contracts

TLI has foreign exchange forward contracts designated as hedging instrument in a cash flow hedges of forecasted coal purchases and PSALM monthly fees in USD. These forecast transactions are highly probable and they comprise about 20% of TLI's total expected coal purchases in USD and PSALM USD payments for the following year. The foreign exchange forward contracts vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates.

Non-deliverable forward contracts

In 2022, the Group entered into non-deliverable forward (NDF) contracts with counterparty banks to manage foreign currency risks associated with US Dollar commitments for the completion of its renewable projects. The Group designated these NDF contracts as a cash flow hedge. In 2024, these NDF contracts matured and settled. The notional amount of these contracts amounted to \$109.1 million (P6.69 billion). In 2024, these NDF contracts matured and settled.

In 2024, the Group entered into another NDF contract to manage foreign currency risk associated with its CNY commitments.

As of December 31, 2024, the outstanding notional amount and fair value of the NDF contracts amounted to P1.92 billion and P65.2 million, respectively. In 2025, these NDF contracts matured and settled.

Commodity swap contracts

The Group entered into commodity swap contracts to hedge price volatility arising from fixed-price sales contracts. These swaps are designated as cash flow hedges to mitigate the impact of fluctuations in coal prices.

Option contracts

The Group entered into foreign currency option contracts to manage foreign currency risks related to its US Dollar investment of its projects.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign currency forward, IRS and commodity swap contracts match the terms of the expected highly probable foreign currency denominated forecasted purchases and floating rate loans. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign currency forward, IRS and commodity swap contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative technique and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Different reference prices linked to the hedged risk of the hedged items and hedging instruments
- Differences in the timing of the cash flows of the hedged items and the hedging instruments



- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The Group is holding the following hedging instruments designated as cash flow hedges:

December 31, 2025

	Maturity					Total
	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	More than 2 years	
Foreign Currency Forward Contracts - Derivative Assets						
Notional amount (in PHP)	1,348,261	412,272	1,503,227	742,380	—	4,006,140
Average fixed interest rate (%)	58	58	58	58	—	
Commodity swaps - Derivative Asset						
Notional amount (in PHP)	82,868	219,353	222,793	716,940	1,490,804	2,732,758
Average forward rate (in PHP)	57	57	57	59	61	
Dollar Hold - Derivative Assets						
Notional amount (in PHP)	699,013	310,647	1,370,856	4,628,254	931,020	7,939,790
Average forward rate (in PHP)	58	58	58	58	58	
NDF - Derivative Liability						
Notional amount (in PHP)	1,008,561	—	46,278	—	—	1,054,839
Average forward rate (in PHP)	7	—	7	—	—	
Option Contracts - Derivative Asset						
Notional amount	—	—	79,876	90,989	—	170,865
Average rate	—	—	59	59	—	

December 31, 2024

	Maturity					Total
	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	More than 2 years	
Foreign Currency Forward Contracts - Derivative Assets						
Notional amount (in PHP)	—	476,789	966,041	700,037	—	2,142,867
Average forward rate (in PHP)	—	56	56	56	—	
Foreign Currency Swap - Derivative Assets						
Notional amount (in PHP)	—	—	1,940,241	—	—	1,940,241
Average forward rate (in PHP)	—	—	57	—	—	
NDF- Derivative Liability						
Notional amount (in PHP)	775,477	402,640	622,262	123,069	—	1,923,448
Average Forward rate (in PHP)	7	7	7	7	—	
Dollar Hold - Derivative Asset						
Notional amount (in PHP)	64,452	—	—	—	—	64,452
Average forward rate	55.61-57.642	—	—	—	—	
Forwards - Derivative Liability						
Notional amount (in PHP)	330,000	—	—	—	—	330,000
Average forward rate	58.108-59.103	—	—	—	—	
NDF - Derivative Asset						
Notional amount (in PHP)	82,499	—	—	—	—	82,499
Average forward rate	55.88-57.642	—	—	—	—	

The impact of the hedged items and hedging instruments in the consolidated balance sheets as of December 31, 2025 and 2024 and consolidated statements comprehensive income for the years then ended follows:

	As at 31 December 2025			
	Carrying amount	Change in fair value used for measuring ineffectiveness	Total hedging gain (loss) recognized in OCI	Ineffectiveness recognized in other comprehensive income (charges)
Dollar hold				
Derivative asset	70,462	35,876	35,876	—
Option contracts				
Derivative asset	170,865	170,865	—	—
Deliverable forwards				
Derivative asset	99,358	99,358	99,358	—
Derivative liability	(70,599)	(65,087)	(65,087)	—
Commodity swaps				
Derivative asset	16,943	16,943	16,943	—



As at 31 December 2024				
	Carrying amount	Change in fair value used for measuring ineffectiveness	Total hedging gain (loss) recognized in OCI	Ineffectiveness recognized in other comprehensive income (charges)
Forward currency forwards				
Derivative asset	₱27,170	₱27,170	₱27,170	—
Derivative liability	(7,417)	(7,417)	(7,417)	—
NDF Contracts				
Derivative Asset	224,240	224,240	224,240	—
Derivative Liability	(226,199)	(226,199)	(226,199)	—
Commodity swaps				
Derivative asset	63,236	63,236	63,236	—

The movements in fair value changes of all derivative instruments for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
At beginning of year	₱81,030	(₱126,287)
Net changes in fair value of derivatives designated as cash flow hedges	205,999	207,317
At end of year	₱287,029	₱81,030

The net gains and losses from the net fair value changes of derivatives not designated as accounting hedges are included under "Net foreign exchange gain (losses)" in Note 28.

The changes in the fair value of derivatives designated as cash flow hedges were deferred in equity under "Cash flow hedge reserve."

The net movement of changes to cash flow hedge reserve is as follows:

	2025	2024
Balance at beginning of year (net of tax)	₱65,221	(₱215,114)
Changes in fair value recorded in equity	316,637	499,389
	381,858	284,275
Derecognition	(63,264)	(249,967)
Changes in fair value transferred to profit or loss	(37,897)	25,409
Balance at end of year before deferred tax effect	280,697	59,717
Deferred tax effect	19,372	5,504
Balance at end of year (net of tax)	₱300,069	₱65,221



As of December 31, 2025 and 2024, the Group held the following financial instruments that are measured and carried or disclosed at fair value:

December 31, 2025

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
Derivative assets	₱357,628	₱—	₱357,628	₱—
Derivative liabilities	70,599	—	70,599	—
Disclosed at fair value:				
Concession contract asset	9,275,667	—	—	9,275,667
Long-term debt - fixed rate	237,419,174	—	—	237,419,174
Long-term obligation on PDS	79,261	—	—	79,261

December 31, 2024

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
Derivative assets	₱314,646	₱—	₱314,646	₱—
Derivative liabilities	233,616	—	233,616	—
Disclosed at fair value:				
Concession contract asset	10,167,633	—	—	10,167,633
Lease liabilities	6,048,230	—	—	6,048,230
Long-term debt - fixed rate	197,985,928	—	—	197,985,928
Long-term obligation on PDS	119,261	—	—	119,261

The fair values of the Group's investment properties were determined as follows:

- In valuing the land, the Group used the Sales Comparison Approach. This is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison.
- The appraiser gathers data on actual sales and/or listings, offers, and renewal options, and identifies the similarities and differences in the data, ranks the data according to their relevance, adjusts the sales prices of the comparable to account for the dissimilarities with the unit being appraised, and forms a conclusion as to the most reasonable and probable market value of the subject property.

The elements of comparison include location, physical characteristics, available utilities, zoning, and highest and best use. The most variable elements of comparison are the site's physical characteristics, which include its size and shape, frontage, topography and location.

Fair value investment properties are estimated under Level 3 inputs.

During the years ended December 31, 2025 and 2024, there were no transfers between level 1 and level 2 fair value measurements and transfers into and out of level 3 fair value measurement.



35. Lease agreements

Company

The Company entered into an operating lease agreement with Ayala Land Inc. for its use of administrative office space and parking space for a period of 16 years from August 1, 2024 to July 31, 2040. The lease contract has an escalation of 3.0% per annum.

TLI

IPP Administration Agreement (power plant lease)

In 2009, TLI was appointed by PSALM as Administrator under the IPP Administration Agreement, giving TLI the right to receive, manage and control the capacity of the power plant for its own account and at its own cost and risk; and the right to receive the transfer of the power plant at the end of the IPP Administration Agreement for no consideration.

In view of the nature of the IPP Administration Agreement, the arrangement has been considered as a lease. Accordingly, TLI recognized the right-of-use asset and related liability of ₱44.79 billion (equivalent to the present value of the minimum lease payments using TLI's incremental borrowing rates of 10% and 12% for dollar and peso payments, respectively) in the consolidated financial statements as "ROU - Power plant" and "Lease liabilities" accounts, respectively.

In November 2023, TLI prepaid the full amount of the remaining lease payments amounting to ₱13.80 billion. This resulted in a reduction in the right-of-use asset account amounting to ₱3.56 billion.

In August 2025, TLI took over the ownership of the Pagbilao power plant. Consequently, TLI has reclassified the ROU power plant to Power plant equipment and steam field assets amounting to ₱24.72 billion (see Note 12).

Land lease agreement

In December 2024, TLI entered into a lease agreement with PSALM for the parcels of land situated in Pagbilao, wherein TLI prepaid the lease amounting to ₱3.02 billion (see Note 14). The lease commenced on the transfer date of the power plant to TLI in August 2025.

APRI

On May 25, 2009, APRI entered into a lease agreement with PSALM for a parcel of land owned by the latter on which a portion of the assets purchased under the APA is situated. The lease term is for a period of 25 years commencing from the Closing Date as defined in the APA which falls on May 25, 2009. The rental fees for the whole term of 25 years amounting to ₱492.0 million were paid in full after the receipt by APRI of the Certificate of Effectivity on the lease (see Notes 8 and 14).

On September 12, 2025, APRI entered into a memorandum of agreement (MOA) with MB Maligaya Property OPC to lease portion of the latter's property for the APRI's pipeline and wells (the "Land rights" as defined in the MOA). The agreement shall be effective as of the date which the Geothermal Renewable Energy Contract (GREOC) was issued by the DOE and shall remain in full force and in effect until October 22, 2034, or the date of the expiration of the GREOC, renewable for like periods at the option of APRI.

GMEC

In August 2007, a 25-year lease agreement with Authority of the Freeport Area of Bataan for land at Bataan Economic Zone, used as an access road and right of way for electric power transmission lines.

In January 2010, a 50-year land lease agreement with PMR Group Retirement Plan, Inc. (PGRPI), used for its power plant facilities. GMEC, upon mutual agreement of PGRPI, has the right and option to extend the lease for a period of twenty-five years. In August 2016, GMEC entered into another lease agreement with PGRPI for land to be used for staff house.



HI, HTI, HBI, HSAB, LHC and HSI

HI, HTI, HBI, HSAB, LHC and HSI entered into contracts with various lot owners for lease of land where their power plants are located. Terms of contract are for a period of 1 to 50 years renewable upon mutual agreement by the parties.

Sacasun

Sacasun entered into a contract for lease of land where the power plant is located. The contract pertains to rent for 23 years renewable upon mutual agreement by the parties.

EAUC

Lease agreement with PEZA for a piece of land located inside Mactan Economic Zone for its power plant facilities for a period of 25 years.

TPVI

TPVI entered into a contract for lease of land where the power plant is located. The contract pertains to rent for 25 years renewable upon mutual agreement by the parties. The lease term may be renewed or extended for another 5 years upon the mutual written agreement of the parties. In 2024, TPVI assigned to its affiliate the right to purchase the land. The sale was executed on October 9, 2024. This resulted to derecognition of the right-of-use asset with carrying value of ₱447.0 million.

TMI

TMI entered into a lease contract with the Philippine Fisheries Development Authority on April 26, 2022 for some portions of the breakwater area of the Navotas Fishport Complex for a period of 15 years. They also have a lease contract with Montgomery Real Estate Lessor for their administrative office for a period of 15 years.

SPJ

Lease agreement covering its head office, which was renewed in May 2021 until June 2026, with escalation clause of 3% applicable annually starting on the second year of the term.

CEDI

CEDI entered into a Forest Land Use Agreement with the Philippine government for the exclusive right to occupy, manage and develop forest land for the construction of its project effective until December 31, 2043. The related lease obligation is payable annual subject to 10% annual escalation.

APREC

APREC executed a lease agreement with various lessors on pieces of land where the plant is located in Olongapo City, Zambales for a period of 25 to 99 years. The lease term may be renewed or extended upon the mutual written agreement of the parties.

RERI

RERI executed a lease agreement with various lessors on pieces of land where the two (2) power plants are located in City of Tarlac for a period of 25 to 30 years. The lease term may be renewed or extended upon the mutual written agreement of the parties.

ASPI

ASPI executed a lease agreement for the eight (8) parcels of land located in Calatrava, Province of Negros Occidental for twenty-seven (27) years. The contract shall be renewable at the option of the Lessee and be effective for another five (5) years from renewal.

TVI

On January 13, 2025, TVI entered into a Special Use Agreement in Protected Areas (SAPA) with the Department of Environment and Natural Resources (DENR) for the use of 305,454 square meters of foreshore and offshore areas. The agreement has a tenure of twenty-five (25) years and is renewable for a similar term.



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

December 31, 2025

	Right-of-use assets				Total	Lease Liability
	Land	Building	Power Plant	Equipment and Others		
Balances at the beginning of the year	P3,232,385	P918,123	P24,720,181	P127,419	P28,998,108	P4,445,893
Additions	4,823,096	21,469	—	—	4,844,565	620,946
Amortization expense	(259,642)	(78,085)	(285)	(2,003)	(340,015)	—
Capitalized amortization	(15,589)	—	—	—	(15,589)	—
Interest expense	—	—	—	—	—	342,164
Capitalized interest	—	—	—	—	—	32,539
Payments	—	—	—	—	—	(444,914)
Others/Reclassifications	(9,472)	(34,514)	(24,719,896)	325	(24,763,557)	(18,106)
Balances at the end of the year	P7,770,778	P826,993	P—	P125,741	P8,723,512	P4,978,522

December 31, 2024

	Right-of-use assets				Total	Lease Liability
	Land	Building	Power Plant	Equipment and Others		
Balances at the beginning of the year	P3,114,636	P103,242	P25,658,351	P132,789	P29,009,018	P2,914,845
Additions	717,431	873,681	—	—	1,591,112	1,484,385
Amortization expense	(164,689)	(59,942)	(938,170)	(5,375)	(1,168,176)	—
Capitalized amortization	(26,630)	—	—	—	(26,630)	—
Interest expense	—	—	—	—	—	266,546
Prepayment	—	—	—	—	—	43,541
Payments	—	—	—	—	—	(300,333)
Others/Reclassifications	(408,363)	1,142	—	5	(407,216)	36,909
Balances at the end of the year	P3,232,385	P918,123	P24,720,181	P127,419	P28,998,108	P4,445,893

The carrying amount of the Group's right-of-use assets as of December 31, 2025 and 2024 is presented as part of "Property, plant and equipment". In 2025, others include reclassifications from ROU asset to Power plant equipment and steam field assets amounting to P24.72 billion for the transfer of the Pagbilao Power Plant to TLI (see Note 12).

The Group also has certain leases of equipment, meeting rooms and event sites with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption of these leases.



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

	2025	2024	2023
Amortization expense of right-of-use assets	₱340,015	₱1,168,176	₱1,273,198
Interest expense on lease liabilities	342,164	266,546	1,283,213
Rent expense - short-term leases	121,538	116,005	149,262
	₱803,717	₱1,550,727	₱2,705,673

36. Agreements

Pagbilao IPP Administration Agreement

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

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

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

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

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

In August 2025, TLI officially assumed ownership and operational control of the Pagbilao Coal-Fired Power Plant (see Note 35).

Agreements with Contractors and Suppliers

- APRI total steam supply cost reported as part of "Cost of generated power" amounted to ₱4.39 billion in 2025, ₱5.69 billion in 2024, and ₱6.89 billion in 2023 (see Note 23).

On May 26, 2013, APRI's steam supply contract with Chevron Geothermal Philippines Holdings, Inc. (CGPHI) shifted to a GRSC. The change is due to an existing provision under the government's existing contract with CGPHI when the Tiwi-Makban facilities were bidded out under the former's privatization program. Under the GRSC, the effective steam price of APRI payable to PGPC will be a premium to coal.



To ensure that APRI will continue to remain competitive in the market, a two-month interim agreement supplementing the GRSC was implemented on August 14, 2013 and extended until August 25, 2018. On August 24, 2018, a new contract was signed by APRI and Philippine Geothermal Production Company, Inc. which aims to ensure long-term operations of both parties. The Geothermal Resources Supply and Services Agreement took effect August 26, 2018 and shall continue in effect until October 22, 2034, unless earlier terminated or extended by mutual agreement of the Parties.

- b. TLI enters into short-term coal supply agreements (CSA). Outstanding CSA as of December 31, 2025 and 2024 have aggregate supply quantity of 4,080,000 MT and 679,260 MT, respectively. In 2025 and 2024, the equivalent dollar value is estimated to be at \$320.5 million and \$47.4 million which are due for delivery from January 1, 2026 to December 31, 2028 and January 2024 to February 28, 2026, respectively. Terms of payment are by letter of credit where payment is due at sight against presentation of documents, and by telegraphic transfer where payment is due within 7 days from is due within 7 days from receipt of original invoice receipt of original invoice.
- c. GMEC has entered into a Coal Sales and Purchase Agreement for free on board (FOB) deliveries with PT. Bayan Resources Tbk. (Bayan) dated January 18, 2013 (as amended, the "CSA"). The CSA was novated to substitute the Partnership for GNPLC as the Purchaser under the CSA pursuant to a Deed of Novation dated August 4, 2016. This novation is effective from September 2, 2016 to March 31, 2028. The agreement was subsequently amended last April 18, 2018 and was further amended last April 2021.

The parties entered into Amendment Agreement No. 7 on June 30, 2024 to amend the implementation of the LIBOR and update it to SOFR administered by the CME Group Benchmark Administration Limited.

- d. PEC entered into EPC with suppliers relating to the construction of the 400MW coal fired power plant on April 25, 2014. The Supply Contract with Mitsubishi Hitachi Power Systems, Ltd. and Daelim Industrial Co. Ltd. prescribes the design and engineering of the Project as well as the supply of certain material, property and equipment for the project. The Construction Contract with Desco Incorporated and Daelim Philippines Inc. prescribes the general requirements for the design, engineering, procurement, permitting, fabrication, construction, installation, commissioning, start-up, testing and safe and timely completion of the coal-fired power plant. Total EPC contract price for the complete performance of these contracts amount to US\$398.0 million and ₱7.00 billion.

There are ongoing disputes and discussions with PEC's EPC contractors as management believes that the EPC contractors are liable for delivering non-compliant works under the Supply Contract, Construction Contract, and Coordination Agreement ("EPC contracts"). Accordingly, PEC withheld the retention moneys due to the EPC contractors until the dispute with EPC Contractors is settled. As of December 31, 2025 and 2024, the joint operation has a retention payable amounting to ₱138.6 million and ₱139.2 million, respectively, which is presented as part of "Trade and other payables" in the consolidated balance sheets.

- e. On December 1, 2016, TMI entered into a Lube Oil Supply Agreement with Pilipinas Shell Petroleum Corporation (PSPC) for the supply and delivery of lube oil products with an agreed aggregate volume of 3.8 million liters. The actual aggregate of lube oil products delivered to TMI from PSPC as of December 31, 2025 and 2024 is 1.9 million liters and 1.8 million liters, respectively.
- f. EAUC entered with Supply Agreement with suppliers. On December 1, 2016, the Lube Oil Supply Agreement with PSPC. The actual aggregate lube oil delivered to EAUC from PSPC as of December 31, 2025 and 2024 are 607,583 liters and 497,583 liters, respectively. Total consumption of lube oil amounted to ₱14.0 million and ₱4.6 million in 2025 and 2024, respectively. In 2023, EAUC entered into a HFO SA with Shell Pilipinas Corporation (SPC). The said SA provides for the supply and delivery of a guaranteed aggregate volume of HFO on a consignment basis by SPC to EAUC, subject to the terms and conditions of the SA. As of December 31, 2025, and 2024, the actual HFO consumed from the SA are 28.7 million liters and 11.8 million liters, respectively. Total consumption of HFO acquired from SPC amounted to ₱1.15 billion in 2025 and ₱481.4 million in 2024.



- g. On December 12, 2019, SPI entered into a CSA with PT Bara Tabang for the supply of coal to meet the fuel requirements of the Power Plant on a fixed base and option tonnage. On December 15, 2021, the parties signed the Amendment Agreement to the CSA which extended the term until December 31, 2023 or until the last shipment under the fourth Contract Year. On December 6, 2022, the CSA was amended to include one shipment as additional contract quantity for contract year 2023, and to include coal specifications and pricing. On September 11, 2023, SPI signed a short-term CSA which covers two shipments to be delivered in October and November 2023 plus an option tonnage to be notified before October 2023. The option was exercised and the shipment was delivered in December 2023. The September 11, 2023 CSA was amended on December 27, 2023 to cover additional shipments to be delivered in January and February 2024.

On April 3, 2024, SPI entered into a CSA with ST International Corporation (ST IC) for the supply of coal to meet the fuel requirements of the Power Plant on a fixed base and option tonnage. This CSA covered delivery of one firm and two option tonnage of 50,000 MT/each until December 31, 2024. Base Price is based on published ICI4. On July 3, 2024, it amended the CSA for an additional five shipments until end of June 2025. On November 20, 2024 an amendment to cover two additional shipments for the period November 29, to December 31, 2024 was executed with further agreement for blacklisting of the vessel M/V Goldeneye due to unsafe vessel condition. On January 1, 2025, SPI executed a third amendment to the CSA for the additional coal requirements for January 1, 2025 to February 28, 2025.

Engineering, Procurement, and Construction Contracts

- a. ASPI executed the following contracts for the Calatrava Solar Power Project.

On August 10, 2023, ASPI entered into an (i) Offshore Engineering, Design and Supply Contract with Sumec Complete Equipment and Engineering Co., Ltd. ("SCEECO") and (ii) Onshore Installation, Construction, Testing and Commissioning with Consortium of Everstone and Sumec Philippines to perform the offshore and onshore parts, respectively. The Project is to be paid on the basis of the milestones achieved.

On November 9, 2023, ASPI entered into a Coordination Agreement with SCEECO to perform construction and repair related services.

- b. APREC executed the following contracts for the Olongapo Solar Power Project.

On August 10, 2023, APREC entered into an (i) Offshore Engineering, Design and Supply Contract with China Energy Engineering Group Zhejiang Electric Power Design Institute Co., Ltd. ("China Energy ") and (ii) Onshore Installation, Construction, Testing and Commissioning with GEDI Construction Development Corporation ("GEDI") to perform the offshore and onshore parts, respectively. The Project is to be paid on the basis of the milestones achieved.

On the same date, APREC also entered into a Coordination Agreement with China Energy to perform construction and repair related services.

- c. RERI executed the following contracts for the Armenia Solar Power Project and San Manue Solar Power Project.

On November 9, 2023, RERI entered into (i) an Offshore Engineering, Design and Supply Contract with China Energy and (ii) Onshore Installation, Construction, Testing and Commissioning with Consortium of Anhui and JCE to perform the offshore and onshore parts, respectively, of the Armenia Solar Power Project.

On the same date, RERI entered into a Coordination Agreement with China Energy to perform construction and repair related services.



On August 29, 2024, RERI entered into (i) Offshore Engineering, Design and Supply Contract with China Energy and (ii) Onshore Installation, Construction, Testing, Commissioning, Completion and Remedying of Defects with GEDI to perform the offshore and onshore parts, respectively, of the San Manuel Solar Power Project.

The Projects are to be paid on the basis of the milestones achieved.

On August 29, 2024, RERI entered into a Coordination Agreement with China Energy to perform construction and repair related services to the San Manuel Solar Power Project.

- d. APRI executed the following contracts for the Bay Battery Energy Storage System (Bay BESS) Project:

On October 14, 2024, APRI entered into (i) an Offshore Engineering, Design, Supply and Delivery Contract with Shandong Ludian International Technology and Trade Co., Ltd. and (ii) an Onshore Installation, Construction, Testing and Commissioning Contract with SDEPCI Philippine Branch to undertake the offshore and onshore components of the Bay BESS Project, respectively.

37. Registration with the Board of Investments (BOI)

Certain power generation subsidiaries in the Group have been registered with the BOI. The following are the incentives granted by the BOI:

- a. ITH for a period of seven (7) years, as follows:

Subsidiary	BOI Approval Date	Start of ITH Period	ITH Period
Sacasun	March 9, 2016	March 8, 2023	7 years
HBI ¹	July 2, 2018	July 1, 2025	7 years
HBI ²	November 23, 2018	November 22, 2025	7 years
HI ³	July 1, 2019	June 30, 2026	7 years
PV Sinag ⁴	June 22, 2022	July 9, 2024	7 years
PV Sinag ⁵	December 16, 2022	December 11, 2024	7 years
APRI – TIWI	January 13, 2023	May 22, 2025	7 years
RERI ⁶	June 9, 2023	March 24, 2025	7 years
ASPI	June 9, 2023	July 24, 2025	7 years

¹ For Manolo-1 hydroelectric plant.

² For Manolo-2 hydroelectric plant.

³ For La Trinidad hydroelectric plant.

⁴ For Cayanga-Bugallon Solar Power Project

⁵ For Laoag Solar Power Project

⁶ For Arermenia Solar Power Project

The ITH shall be limited only to sales/revenue generated from the sales of electricity of the power plant and revenues generated from the sales of carbon emission reduction credits.

- a. For the first five (5) years from date of registration, the registrant shall be allowed an additional deduction from taxable income of fifty percent (50) of the wages corresponding to the increment in the number of direct labor for skilled and unskilled workers in the year of availment as against the previous year if the project meets the prescribed ratio of capital equipment to the number of workers set by BOI



of US\$10,000 to one worker and provided that this incentive shall not be availed of simultaneously with the ITH.

- b. Employment of foreign nationals may be allowed in supervisory, technical or advisory positions for five (5) years from date of registration.
- c. Importation of consigned equipment for a period of ten (10) years from the date of registration, subject to the posting of re-export bond.
- d. Special realty tax rates on equipment and machinery and tax credit on domestic capital equipment and services
- e. For APRI, it may qualify to import capital requirement, spare parts and accessories at zero (0%) duty rate from the date of registration to June 16, 2011 pursuant to Executive Order No. 528 and its Implementing Rules and Regulations.

As a requirement for availment of the incentives, the registrant has to maintain a minimum equity requirement.

As of December 31, 2025 and 2024, the power generation subsidiaries referred to above, which are currently availing the incentives, have complied with the requirements.



38. Notes to Consolidated Statement of Cash Flows

The following are the cash flow movements of the Group's financing liabilities:

December 31, 2025

			Non-cash Changes						
	January 1, 2025	Net cash flows	Dividend Declaration	Amortized deferred financing costs	Foreign exchange movement	Changes in fair values	Accreted interest	Others	December 31, 2025
Current interest-bearing loans and borrowings, excluding lease obligations	₱41,500,695	₱38,486,470	₱—	₱—	₱21,735	₱—	₱—	₱26,651,906	₱106,660,806
Non-current interest-bearing loans and borrowings, excluding lease obligations	197,254,006	33,659,692	—	570,071	493,916	—	—	(11,090,127)	220,887,558
Current obligations under lease liabilities	170,877	(444,914)	—	—	—	—	—	578,490	304,453
Non-current obligations under lease liabilities	4,275,016	—	—	—	—	—	342,164	56,889	4,674,069
Dividends payable	190,938	(16,899,372)	16,933,758	—	—	—	—	—	225,324
Interest payable	3,166,997	(17,491,517)	—	—	—	—	—	17,649,371	3,324,851
Derivatives	233,616	—	—	—	—	(163,017)	—	—	70,599
Total liabilities from financing activities	₱246,792,145	₱37,310,359	₱16,933,758	₱570,071	₱515,651	(₱163,017)	₱342,164	₱33,846,529	₱336,147,660

December 31, 2024

			Non-cash Changes						
	January 1, 2024	Net cash flows	Dividend Declaration	Amortized deferred financing costs	Foreign exchange movement	Changes in fair values	Accreted interest	Others	December 31, 2024
Current interest-bearing loans and borrowings, excluding lease obligations	₱30,689,554	(₱5,728,369)	₱—	₱—	₱74,250	₱—	₱—	₱16,465,260	₱41,500,695
Non-current interest-bearing loans and borrowings, excluding lease obligations	203,540,676	8,670,727	—	71,552	1,436,310	—	—	(16,465,259)	197,254,006
Current obligations under lease liabilities	81,964	(300,333)	—	—	—	—	—	389,246	170,877
Non-current obligations under lease liabilities	2,832,881	—	—	—	—	—	266,546	1,175,589	4,275,016
Dividends payable	168,770	(16,551,297)	16,573,465	—	—	—	—	—	190,938
Interest payable	2,574,531	(13,239,648)	—	—	—	—	—	13,832,114	3,166,997
Derivatives	481,595	—	—	—	—	(247,979)	—	—	233,616
Total liabilities from financing activities	₱240,369,971	(₱27,148,920)	₱16,573,465	₱71,552	₱1,510,560	(₱247,979)	₱266,546	₱15,396,950	₱246,792,145

Others includes the effect of reclassification of noncurrent portion of interest-bearing loans and borrowings.



39. Contingencies

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

40. Other Matters

a. Temporary Restraining Order (TRO) affecting power generation companies trading in WESM

On December 19, 2013, Bayan Muna representatives filed a Petition for Certiorari against the ERC and Manila Electric Company (MERALCO) with the Supreme Court (SC). On December 20, 2013, National Association of Electricity Consumers for Reforms filed a Petition for Certiorari and/or Prohibition against MERALCO, ERC and Department of Energy (DOE). These cases raised and questioned, among others, the alleged substantial increase in MERALCO's power rates for the billing period of November 2013, the failure of the ERC to protect consumers from high energy prices and perceived market collusion of the generation companies.

These cases were consolidated by the SC which issued a TRO for a period of 60 days from December 23, 2013 to February 21, 2014, preventing MERALCO from collecting the increase in power rates for the billing period of November 2013. The TRO was subsequently extended for another 60 days ending April 22, 2014 by the SC. Thereafter, the TRO was extended indefinitely.

MERALCO, in turn, filed a counter-petition impleading generation companies supplying power to the WESM. The SC also ordered all the parties in the consolidated cases to file their respective pleadings in response to MERALCO's counter-petition. The SC set the consolidated cases for oral arguments last January 21, 2014, February 4 and 11, 2014. After hearing, all parties were directed to file their comments and/or memorandum. The case is now submitted for resolution.

As a result of the TRO, MERALCO has not been able to fully bill its consumers for the generation costs for the supply month of November 2013; and in turn, it has not been able to fully pay its suppliers of generation costs. In a Decision dated August 3, 2021, the Supreme Court declared that the ERC's action of allowing MERALCO to stagger its collection of pass-through generation costs for the November 2013 billing month in view of the high increase in generation costs was valid, but declared as null and void the Order of the ERC setting aside the Luzon WESM prices and imposing regulated prices for the November 2013 billing period. The Supreme Court denied with finality the motions for reconsideration filed by NASECORE, ERC, and Bayan Muna, in a Resolution dated October 11, 2022.

b. Imposition of financial penalties on Therma Mobile by PEMC

This case involves an investigation of Therma Mobile in the dispatch of its power barges during the November and December 2013 supply periods. As a result of the MERALCO price hike case brought before the SC, the SC ordered the ERC to investigate anti-competitive behavior and abuse of market power allegedly committed by some WESM participants.

PEMC conducted the investigation under the "Must-Offer" rules of the WESM Rules.



PEMC initially found that Therma Mobile violated the "Must-Offer Rule" during the period under investigation. In its letter dated January 30, 2015, the PEM Board imposed financial penalties amounting to ₱234.9 million on Therma Mobile. According to the PEM Board, the penalties will be collected from Therma Mobile through the WESM settlement process.

Therma Mobile maintains that there is no basis for the PEMC decision. It did not violate the Must-Offer Rule for the period covered, as it was physically impossible for Therma Mobile to transmit more than 100MW to MERALCO. Although Therma Mobile's rated capacity is 234 MW (Net), it could only safely, reliably and consistently deliver 100MW during the November and December 2013 supply period because of transmission constraints. Therma Mobile's engines and transmission lines were still undergoing major repairs to address issues on post rehabilitation.

On February 13, 2015, Therma Mobile filed a notice of dispute with the PEMC to refer the matter to dispute resolution under the WEM Rules and the WESM Dispute Resolution Market Manual.

Therma Mobile also filed a Petition for the Issuance of Interim Measures of Protection with the Regional Trial Court (RTC) of Pasig to hold off enforcement of the payment of the penalties during the pendency of the Therma Mobile and PEMC dispute resolution proceedings. On February 24, 2015, the RTC issued in favor of Therma Mobile an ex parte 20-day Temporary Order of Protection directing PEMC to refrain from (a) demanding and collecting from Therma Mobile the ₱234.9 million financial penalty; (b) charging and accruing interest on the financial penalty; and (c) transmitting the PEMC-ECO investigation report to the ERC. Therma Mobile and PEMC have agreed to maintain the status-quo until the RTC rules on the Therma Mobile's application for preliminary injunction.

On April 1, 2015, the court issued a Decision granting Therma Mobile's desired relief. PEMC filed a Petition for Review with Prayer for Temporary Restraining Order and/or Writ of Preliminary Injunction before the Court of Appeals (CA), seeking to reverse and set aside the Decision of the lower court.

On December 14, 2015, the CA rendered a Decision denying PEMC's Petition for Review and affirming the April 1, 2015 Decision of the RTC in Pasig City in favor of Therma Mobile. PEMC sought the reversal of the CA Decision thru Motion for Reconsideration dated January 20, 2016. On April 22, 2016, the CA denied PEMC's Motion for Reconsideration.

On June 6, 2016, PEMC filed a petition before the Supreme Court questioning the CA's decision which upheld the RTC's injunction. Therma Mobile has already filed its Comment on the Petition last November 14, 2016.

On April 18, 2023, Therma Mobile received the Memorandum of PEMC dated March 17, 2023. On August 2, 2023, Therma Mobile personally secured a copy of the Resolution dated December 1, 2022 of the SC, directing both parties to file their respective memoranda within thirty (30) days from receipt. On August 30, 2023, Therma Mobile filed its Memorandum.

On April 4, 2024, external counsel received a copy of the Notice of Resolution dated November 8, 2023 from the SC Third Division taking note of the Memoranda filed by both parties.

The case is pending resolution before the SC Third Division.

c. Therma Marine Cases

In 2013, ERC issued Final Approval of various ESAs of Therma Marine with some modifications on ERC's provisionally approved rates which directed both parties to devise a scheme for the refund of the difference between the final and the provisionally approved rates.

On November 25, 2013, ERC issued its order for Therma Marine to refund the amount of ₱180.0 million to its customers for a period of 6 months with equal installments per month.



On August 27, 2014, ERC issued an order directing NGCP to refund its customers the amount of ₱12.7 million and the corresponding VAT for a period of twelve months. As such, Therma Marine will refund the said amount to NGCP and the latter will refund the same to its customers. In 2015, ERC issued Provisional Approvals (PA) on ESA contracts extensions with capacity fees lower than the previously approved rates. Therma Marine filed MRs on these PAs. During the last quarter of 2015, ERC issued Final Approvals on some of these ESA's sustaining the decision in the PA's, thus Therma Marine filed MRs on the final decisions. As of December 31, 2025, there is no resolution yet on the MRs on the Final Approvals.

d. ERC Case No. 2013-077 MC

On August 29, 2013, MERALCO filed a petition for dispute resolution against TLI/APRI, among other Successor Generating Companies ("SGCs") under ERC Case No. 2013-077 MC. The case arose from a claim of refund of the alleged over charging of transmission line losses pursuant to the ERC Order dated March 4, 2013 and July 1, 2013 in ERC Case No. 2008-083 MC.

On September 20, 2013, TLI, together with the other SGCs, filed a Joint Motion to Dismiss arguing that MERALCO's petition should be dismissed for failure to state a cause of action and ERC's lack of jurisdiction over the subject matter of the case. The SGCs and Meralco have filed their respective comments, reply, rejoinder and sur-rejoinder after the filing of the Joint Motion to Dismiss. The Joint Motion to Dismiss has since then been submitted for resolution with the ERC. As of December 31, 2025, the ERC has yet to render its decision on the Joint Motion to Dismiss.

e. LHC Franchise Tax Assessment

In 2007, the Provincial Treasurer of Benguet issued a franchise tax assessment against LHC, requiring LHC to pay franchise tax amounting to approximately ₱40.4 million, inclusive of surcharges and penalties covering the years 2002 to 2007. In 2008, LHC has filed for a petition for the annulment of the franchise tax assessment, based primarily on the fact that LHC is not liable for franchise tax because it does not have a franchise to operate the business. Section 6 of R.A. No. 9136 provides that power generation shall not be considered a public utility operation. As such, an entity engaged or which shall engage in power generation and supply of electricity shall not be required to secure a national franchise. Accordingly, no provision has been made in the consolidated financial statements. In 2020, RTC - La Trinidad denied the motion for reconsideration and annulled the assessment of franchise tax. The case remains pending as of December 31, 2025.

f. EPIRA of 2001

R.A. No. 9136 was signed into law on June 8, 2001 and took effect on June 26, 2001. The law provides for the privatization of NPC and the restructuring of the electric power industry. The IRR were approved by the Joint Congressional Power Commission on February 27, 2002.

R.A. No. 9136 and the IRR impact the industry as a whole. The law also empowers the ERC to enforce rules to encourage competition and penalize anti-competitive behavior.

R.A. No. 9136, the EPIRA, and the covering IRR provides for significant changes in the power sector, which include among others:

- i. The unbundling of the generation, transmission, distribution and supply and other disposable assets of a company, including its contracts with IPPs and electricity rates;
- ii. Creation of a WESM; and
- iii. Open and non-discriminatory access to transmission and distribution systems.



The law also requires public listing of not less than 15% of common shares of generation and distribution companies within 5 years from the effectivity date of the EPIRA. It provides cross ownership restrictions between transmission and generation companies and a cap of 50% of its demand that a distribution utility is allowed to source from an associated company engaged in generation except for contracts entered into prior to the effectivity of the EPIRA.

There are also certain sections of the EPIRA, specifically relating to generation companies, which provide for a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity.

g. Retail Competition and Open Access

The EPIRA mandates the implementation of Retail Competition and Open Access (RCOA) subject to the fulfilment of the conditions as provided in EPIRA. The ERC was tasked under the EPIRA Implementing Rules and Regulations to declare, after due notice and public hearing, the initial implementation of RCOA. Through the RCOA, eligible customers will have the option to source their electricity from eligible suppliers that have secured Retail Electricity Supplier (RES) licenses from the ERC. End users with a monthly average peak demand of at least 1 Megawatt (MW) for the preceding 12 months are eligible to be contestable customers. The 1 MW qualification would gradually be reduced upon evaluation of the ERC.

In June 2011, after due notice and public hearings, the ERC declared December 26, 2011 as the date to mark the commencement of the full operation of RCOA in Luzon and Visayas. However, due to deficiencies in the rules and guidelines governing the RCOA at that time, the December 26, 2011 commencement date was deferred several times until an interim system commenced on July 26, 2013.

The DOE and ERC have issued and revised several circulars, rules and resolutions on the implementation of the RCOA and the issuance of RES licenses, including a Code of Conduct, Rules on Contestability, and Rules on RES Licensing.

On February 21, 2017, the SC issued a TRO enjoining the DOE and ERC from implementing the following issuances:

1. DOE Circular No. DC-2015-06-0010 or the DOE Circular Providing Policies to Facilitate the Full Implementation of RCOA in the Philippine Electric Power Industry;
2. ERC Resolution No. 5, Series of 2016 or the Rules Governing the Issuance of Licenses to RES and Prescribing the Requirements and Conditions Therefor;
3. ERC Resolution No. 10, Series of 2016 or a Resolution adopting the Revised Rules for Contestability;
4. ERC Resolution No. 11, Series of 2016 or a Resolution Imposing Restrictions on the Operations of DUs and RES in the Competitive Retail Electricity Market; and
5. ERC Resolution No. 28, Series of 2016 or the Revised Timeframe for Mandatory Contestability, Amending Resolution No. 10, Series of 2016, entitled Revised Rules of Contestability.

The TRO effectively enjoined the DOE and the ERC from imposing the mandatory migration of end-users with average monthly peak demand of at least 1MW and 750 kW on 26 February 2017 and 26 June 2017, respectively, and barring Local RESs and DUs from supplying electricity to the Contestable Market.

Due to the TRO, no new or renewed RES licenses were issued by the ERC due to the perceived risk of being declared in contempt by the SC. The renewal of PEI, AEI and API's RES licenses remain pending before the ERC. The application for RES licenses of TLI and APRI are likewise pending.

On November 29, 2017, DOE issued Department Circular No. 2017-12-0013, which provides, among other things, for voluntary participation of Contestable Customers in the Retail Market. On the same date, DOE issued Department Circular No. 2017-12-0014, which provides, among other things, the guidelines on the licensing of RES. Both DOE Circulars enjoin the ERC to promote the supporting guidelines to the DOE



Circulars. Once the ERC promulgates these rules, approval of RES license applications and renewals can be expected.

On February 18, 2020, the ERC granted APRI the license to operate as a RES company for a term of five (5) years, which can sell, broker, market, aggregate electricity to end-users in the contestable market. APRI filed for renewal of license on December 18, 2024 which was subsequently approved on February 12, 2025. On August 12, 2020, TLI was granted a RES license, which was renewed on August 12, 2025 and is valid until August 11, 2030. AESI, API & PEI were likewise granted license to operate as RES companies until 2028.

h. Renewable Energy Act of 2008

On January 30, 2009, R.A. No. 9513, An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes, which shall be known as the "Renewable Energy Act of 2008" (the Act), became effective. The Act aims to (a) accelerate the exploration and development of renewable energy resources such as, but not limited to, biomass, solar, wind, hydro, geothermal and ocean energy sources, including hybrid systems, to achieve energy self-reliance, through the adoption of sustainable energy development strategies to reduce the country's dependence on fossil fuels and thereby minimize the country's exposure to price fluctuations in the international markets, the effects of which spiral down to almost all sectors of the economy; (b) increase the utilization of renewable energy by institutionalizing the development of national and local capabilities in the use of renewable energy systems, and promoting its efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives; (c) encourage the development and utilization of renewable energy resources as tools to effectively prevent or reduce harmful emissions and thereby balance the goals of economic growth and development with the protection of health and environment; and (d) establish the necessary infrastructure and mechanism to carry out mandates specified in the Act and other laws.

As provided for in the Act, renewable energy (RE) developers of RE facilities, including hybrid systems, in proportion to and to the extent of the RE component, for both power and non-power applications, as duly certified by the DOE, in consultation with the BOI, shall be entitled to incentives, such as, income tax holiday, duty-free importation of RE machinery, equipment and materials, zero percent VAT rate on sale of power from RE sources, and tax exemption of carbon credits, among others.

j. CSR Projects

The Group has several CSR projects in 2025, 2024 and 2023 which are presented as part of "General and administrative expenses" (see Note 24).



**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

The Board of Directors and Stockholders
Ayala Triangle Gardens Tower 2,
Paseo de Roxas corner, Makati Avenue,
Makati City, 1226 Metro Manila, Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Aboitiz Power Corporation (the Company) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 5, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza *Go*

Partner

CPA Certificate No. 

Tax Identification No. 

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-103-2025, October 1, 2025, valid until September 30, 2028

PTR No. 10765055, January 2, 2026, Makati City

March 5, 2026



**INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Board of Directors and Stockholders
Ayala Triangle Gardens Tower 2,
Paseo de Roxas corner, Makati Avenue,
Makati City, 1226 Metro Manila, Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Aboitiz Power Corporation (the Company) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 5, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Jhoanna Feliza C. Go
Partner

CPA Certificate No. [REDACTED]

Tax Identification No. [REDACTED]

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-103-2025, October 1, 2025, valid until September 30, 2028

PTR No. 10765055, January 2, 2026, Makati City

March 5, 2026



Aboitiz Power Corporation
and Subsidiaries

Supplementary Schedules
to the Financial Statements
Required by the Securities and Exchange Commission
For the Year Ended December 31, 2025

and

Independent Auditors' Report

Philippine
Pesos

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

Supplementary Schedules Required
By the Securities and Exchange Commission
As of and for the Year Ended December 31, 2025

		Page
A	- Financial Assets	1
B	- Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	NA
C	- Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	2
D	- Intangible Assets - Other Assets	3
E	- Long-Term Debt	4
F	- Indebtedness to Related Parties (Long-Term Loans from Related Companies)	5
G	- Guarantees of Securities of Other Issuers	NA
H	- Capital Stock	6
I	- Trade and Other Receivables from Related Parties which are Eliminated during the Consolidation of Financial Statements	7
J	- Trade and Other Payables from Related Parties which are Eliminated during the Consolidation of Financial Statements	8
	Reconciliation of Retained Earnings Available for Dividend Declaration	9
	Conglomerate Mapping	10
	Financial Soundness Indicator	11
	Supplementary Schedule of External Auditor Fee-related information	12

NA: NOT APPLICABLE

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

SCHEDULE A - FINANCIAL ASSETS

AS OF DECEMBER 31, 2025
(Amounts in Thousands except number of shares)

Name of issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (ii)	Income received and accrued
CASH ON HAND AND IN BANK, INCLUDING RESTRICTED CASH			
ANZ		₱395,688	₱1,443
Asian United Bank		100	-
Banco de Oro		5,490,280	138,413
Bank of Commerce		1,428	-
Bank of the Philippine Islands		1,138,073	1,074
China Banking Corporation		17,366	9
China Trust Banking Corporation		653,684	4,827
Citibank		33,970	-
City Savings Bank		304	-
Development Bank of the Philippines		1,094	-
EPCI Bank		51	-
Hongkong Shanghai Banking Corporation		9,159	80
ING Bank N.V.		3,491	-
Land Bank of the Philippines		267,234	1
Metropolitan Bank and Trust Company		611,291	2,000
MUFG Bank, Ltd.		50	-
BDO Network Bank		6,209	-
Philippine Bank of Communications		2,315	3
Philippine National Bank		236,459	2,775
Rizal Commercial Banking Corporation		46,601	12
Security Bank Corporation		69,442	4,121
The Hongkong and Shanghai Banking Corporation		29,365	-
Union Bank of the Philippines		4,852,319	19,663
Cash on Hand, Cash in Vault and Revolving Fund		60,880	-
T O T A L		₱13,926,853	₱174,421
SHORT-TERM DEPOSITS			
ANZ		₱1,031,060	₱37,269
Banco de Oro		5,416,628	131,946
Bank of the Philippine Islands		3,464,547	123,780
Bank of Tokyo - Mitsubishi UFJ		-	19,707
China Trust Banking Corporation		3,290,696	106,272
City Savings Bank		3,389,987	224,634
ING Bank N.V.		4,021,697	19,795
Metropolitan Bank and Trust Company		4,405,740	134,422
MUFG Bank, Ltd.		-	9,278
Rizal Commercial Banking Corporation		-	12,506
Security Bank Corporation		-	244,410
Standard Chartered Bank		-	1,511
Union Bank of the Philippines		19,984,853	558,609
T O T A L		₱45,005,208	₱1,624,139
TRADE AND OTHER RECEIVABLES			
Trade Receivables (net of allowance):			
Residential		₱3,627,972	₱-
Commercial		1,198,861	-
Industrial		11,526,636	-
City street lighting		111,779	-
Non-power supply contracts		3,067,249	-
Power supply contracts		13,366,742	-
Dividends receivable		403,064	-
Advances to contractors		-	-
Accrued Revenues		-	-
Non-trade receivables		5,309,129	346,656
Interest receivable		83,100	-
Trade receivable - noncurrent portion		2,514,836	-
Other Receivables		-	-
T O T A L		₱41,209,368	₱346,656
FINANCIAL ASSET AT FVTPL			
Apo Golf & Country Club	₱3	₱2	₱-
Banco De Oro	8,050	793	-
Philippine Long Distance Telephone Co.	36,463	458	-
PICOP Resources, Inc.	164	8	-
Alta Vista Golf & Country Club	1	2,265	-
Philex Mining Corp	2,168	5	-
Others	375,000	375	-
T O T A L		₱3,906	₱-

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2025
(Amounts in Thousands)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Non-Current	Ending Balance
			Amounts Collected	Amounts Written-Off			
Parent Company	P-	P4,610	(P4,610)	P-	P-	P-	P-
Davao Light & Power Co., Inc.	774,855	8,339,050	(8,413,466)	-	700,439	-	700,439
Therma Power, Inc. and Subsidiaries	7,508	722,179	(657,201)	-	72,486	-	72,486
Cotabato Light & Power Company	28,552	362,808	(360,123)	-	31,237	-	31,237
Aboitiz Renewables, Inc. and Subsidiaries	164,606	2,733,136	(2,622,660)	-	275,082	-	275,082
Subic Enerzone Corporation	211,695	54,121	(260,432)	-	5,384	-	5,384
Visayan Electric Co., Inc.	646,697	7,756,834	(7,574,413)	-	829,118	-	829,118
Aboitiz Energy Solutions, Inc.	906,330	5,658,780	(5,730,048)	-	835,062	-	835,062
Mactan Enerzone Corporation	537	12,167	(9,906)	-	2,798	-	2,798
Balamban Enerzone Corporation	137	4,766	(4,693)	-	210	-	210
Cebu Private Power Corporation	-	-	-	-	-	-	-
Lima Enerzone Corporation	77,893	142,776	(141,189)	-	79,480	-	79,480
East Asia Utilities Corporation	23	39,812	(39,782)	-	53	-	53
Prism Energy, Inc.	-	1,135	(823)	-	312	-	312
Malvar Enerzone Corporation	390	11,467	(11,391)	-	466	-	466
Adventenergy, Inc.	740,251	3,515,307	(3,793,282)	-	462,276	-	462,276
1882 Energy Ventures Incorporated	-	44,266	4,812	-	49,078	-	49,078
Solviva Energy Incorporated	-	147	(147)	-	-	-	-
TOTAL	P3,559,474	P29,403,361	(P29,619,354)	P-	P3,343,481	P-	P3,343,481

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

SCHEDULE D - INTANGIBLE ASSETS - OTHER ASSETS

AS OF DECEMBER 31, 2025
(Amount in Thousands)

Description	Beginning Balance	Additions At Cost	DEDUCTIONS		Other Changes Additions (Deductions)	Ending Balance
			Charged to Costs and Expenses	Charged to Other Accounts		
A. Intangibles						
Goodwill	₱46,589,413	₱-	₱-	(₱13,675,797)	(₱6,346,697)	₱26,566,919
Franchise	2,186,968		(76,961)	-	-	2,110,007
Service concession rights	811,010	56,487	(437,819)	-	14,249	443,927
Project development costs	1,511,562	751,832	-	(308,180)	(334,142)	1,621,072
Software and licenses	760,842	249,161	(266,732)	-	350,635	1,093,906
T o t a l	₱51,859,795	₱1,057,480	(₱781,512)	(₱13,983,977)	(₱6,315,955)	₱31,835,831
B. Other Noncurrent Assets						
Input VAT and tax credit receivable	4,579,915		-	-	(674,703)	3,905,212
Advances to NGCP - net of current portion	565,752	-	-	-	(565,752)	-
Advances to contractors and projects	1,544,247	-	-	-	3,153,093	4,697,340
Deposits	1,405,212	-	-	-	41,446,465	42,851,677
Investment properties	394,902		-	-	-	394,902
Prepaid expenses	3,333,053				(3,071,304)	261,749
Prepaid taxes	4,655,192	-	-	-	388,847	5,044,039
Trade receivable - noncurrent portion	-				2,514,836	2,514,836
Concession contract asset, net of current portion	7,533,867	-	-	-	(₱805,480)	6,728,387
Others	1,217,506				(₱102,812)	1,114,694
T o t a l	₱25,229,646	₱-	₱-	₱-	₱42,283,190	₱67,512,836
T o t a l	₱77,089,441	₱1,057,480	(₱781,512)	(₱13,983,977)	₱35,967,235	₱99,348,667

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

SCHEDULE E - LONG-TERM DEBT

AS OF DECEMBER 31, 2025

(Amounts in Thousands)

Name of Issuer and Type of Obligation	Amount Authorized by Indentures	Amount Shown as Current	Amount Shown as Long-Term	Remarks
Parent:				
Aboitiz Power Corporation	₱75,674,917	₱12,776,913	₱62,898,004	
Subsidiaries:				
Aboitiz Renewables, Inc.	19,550,721	221,182	19,329,539	
Hedcor, Inc.	1,057,796	87,929	969,867	
Cornerstone Energy Development, Inc.	2,407,506	-	2,407,506	
Therma Luzon, Inc.	33,516,366	1,625,081	31,891,285	
Therma South, Inc.	14,233,224	1,241,109	12,992,115	
Pagbilao Energy Corp. (Joint Operation)	6,699,563	1,005,783	5,693,780	
GNPower Mariveles Energy Center Ltd. Co.	25,758,882	2,937,002	22,821,880	
Therma Visayas, Inc.	25,150,076	2,003,163	23,146,913	
Therma Marine, Inc.	1,785,875	324,091	1,461,784	
AP Renewables, Inc.	10,279,784	1,065,025	9,214,759	
Hedcor Sibulan, Inc.	1,597,742	1,597,742	-	
Hedcor Bukidnon, Inc.	6,208,241	625,089	5,583,152	
Aboitiz Energy Solutions, Inc.	570,000	-	570,000	
Hedcor Sabangan, Inc.	741,252	100,501	640,751	
Hedcor Tudaya, Inc.	515,368	57,883	457,485	
PV Sinag Power, Inc.	8,921,522	520,911	8,400,611	
STEAG State Power, Inc.	1,494,821	462,502	1,032,319	
AP Renewable Energy Corporation	6,016,209	-	6,016,209	
Aboitiz Solar Power, Inc.	5,359,599	-	5,359,599	
Total	₱247,539,464	₱26,651,906	₱220,887,558	

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

**SCHEDULE F - INDEBTEDNESS TO AFFILIATES
(LONG-TERM LOANS FROM AFFILIATED COMPANIES)**

AS OF DECEMBER 31, 2025
(Amounts in Thousands)

Name of Affiliate	Beginning Balance	Ending Balance
	₱-	₱-
	-	-
	-	-
T o t a l	₱-	₱-

ABOITIZ POWER CORPORATION

SCHEDULE H - CAPITAL STOCK

AS OF DECEMBER 31, 2025
(Amounts in Thousands)

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
COMMON SHARES	16,000,000	7,205,854	-	3,833,726	134,132	3,237,996
PREFERRED SHARES	1,000,000	-	-	-	-	-

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

SCHEDULE I - TRADE AND OTHER RECEIVABLES FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING CONSOLIDATION OF FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2025
(Amounts in Thousands)

Related Party	Balances			Volume			Terms
	Trade	Non-trade	Total	Sales	Rental	Advances	
Parent Company	₱-	₱-	₱-	₱4,610	₱-	₱-	30 days
Davao Light & Power Co., Inc.	700,439	-	700,439	8,339,050	-	-	30 days
Therma Power, Inc. and Subsidiaries	30,405	42,081	72,486	722,179	-	-	30 days
Cotabato Light & Power Company	31,237	-	31,237	362,808	-	-	30 days
Aboitiz Renewables, Inc. and Subsidiaries	221,888	53,194	275,082	2,733,136	-	-	30 days
Subic Enerzone Corporation	5,384	-	5,384	54,121	-	-	30 days
Visayan Electric Co., Inc.	829,074	44	829,118	7,756,834	-	-	30 days
Aboitiz Energy Solutions, Inc.	835,062	-	835,062	5,658,780	-	-	30 days
Mactan Enerzone Corporation	1,138	1,660	2,798	12,167	-	-	30 days
Balamban Enerzone Corporation	210	-	210	4,766	-	-	30 days
Lima Enerzone Corporation	79,480	-	79,480	142,776	-	-	30 days
East Asia Utilities Corporation	53	-	53	39,812	-	-	30 days
Prism Energy, Inc.	-	312	312	1,135	-	-	30 days
Malvar Enerzone Corporation	466	-	466	11,467	-	-	30 days
Adventenergy, Inc.	461,038	1,238	462,276	3,515,307	-	-	30 days
1882 Energy Ventures Incorporated	-	49,078	49,078	44,266	-	-	30 days
Solviva Energy Incorporated	-	-	-	147	-	-	30 days
T O T A L	₱3,195,874	₱147,607	₱3,343,481	₱29,403,361	₱-	₱-	

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

SCHEDULE J - TRADE AND OTHER PAYABLES FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING CONSOLIDATION OF FINANCIAL STATEMENTS

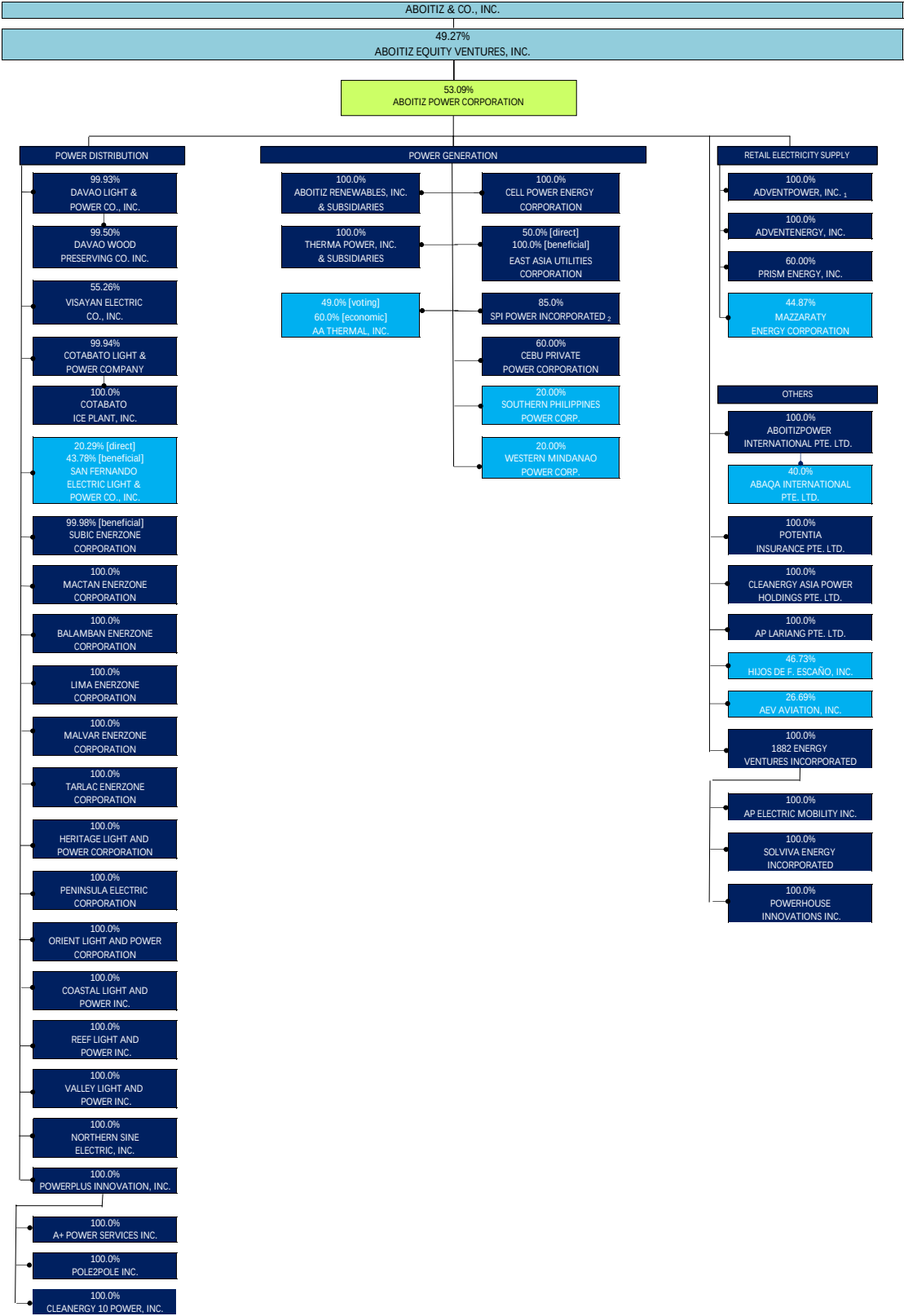
AS OF DECEMBER 31, 2025
(Amounts in Thousands)

Related Party	Balances			Volume			Terms
	Trade	Non-trade	Total	Sales	Rental	Advances	
Parent Company	₱-	₱147,604	₱147,604	₱1,482,792	₱-	₱-	30 days
Aboitiz Renewables, Inc. and Subsidiaries	926,277	-	926,277	6,352,837	-	-	30 days
Cebu Private Power Corporation	-	-	-	-	-	-	30 days
Therma Power, Inc. and Subsidiaries	2,013,033	-	2,013,033	18,805,778	-	-	30 days
Aboitiz Energy Solutions, Inc.	15,872	-	15,872	86,781	-	-	30 days
East Asia Utilities Corporation	22,362	-	22,362	137,856	-	-	30 days
Subic Enerzone Corporation	18,907	-	18,907	196,343	-	-	30 days
Balamban Enerzone Corporation	11,509	-	11,509	123,774	-	-	30 days
Mactan Enerzone Corporation	9,960	-	9,960	103,878	-	-	30 days
Lima Enerzone Corporation	42,679	-	42,679	540,934	-	-	30 days
Davao Light & Power Co., Inc.	2,701	3	2,704	29,806	-	-	30 days
Adventenergy, Inc.	37,850	-	37,850	341,007	-	-	30 days
Malvar Enerzone Corporation	5	-	5	24	-	-	30 days
Visayan Electric Co., Inc.	94,668	-	94,668	1,200,025	-	-	30 days
Cotabato Light & Power Company	51	-	51	1,526	-	-	
TOTAL	₱3,195,874	₱147,607	₱3,343,481	₱29,403,361	₱-	₱-	

Statement of Reconciliation of Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2025
(Amounts in Philippine Currency and in Thousands)

Unappropriated Retained Earnings, beginning of reporting period		₱29,828,545
Add:	Category A Items directly credited to Unappropriated RE:	
	Reversal of Retained Earnings Appropriation	-
	Effect of restatements or prior-period adjustments	-
	Unrealized valuation of investment property	-
	Others	-
		-
		29,828,545
Less:	Category B Items directly debited to Unappropriated RE:	
	Retained Earnings	
	Dividend declaration during the period	(16,933,758)
	Retained Earnings appropriated during the reporting period	-
	Effect of restatements or prior-period adjustments	-
	Provision for income tax - deferred on investment property	-
	Others	-
	Treasury shares	-
		-
		(16,933,758)
Unappropriated Retained Earnings, as adjusted		12,894,787
Add/Less:	Net income (loss) for the current year	7,693,271
Less:	Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
	Equity in net income of associate/joint venture, net of dividends declared	-
	Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
	Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
	Unrealized fair value gain of investment property	-
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-
		-
	Sub-total	20,588,058
Add:	Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
	Realized foreign exchange gain, except those attributable to cash and cash equivalents	-
	Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
	Realized fair value gain of investment property	-
	Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-
		-
	Sub-total	-
Add:	Category C.3: Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)	
	Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
	Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
	Reversal of previously recorded fair value gain of investment property	-
	Reversal of other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-
		-
	Sub-total	-
Adjusted Net Income/Loss		20,588,058
Add:	Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	-
	Depreciation on revaluation increment (after tax)	-
	Sub-total	-
Add/Less:	Category E: Adjustments related to relief granted by the SEC and BSP	
	Amortization of the effect of reporting relief	-
	Total amount of reporting relief granted during the year	-
	Others	-
	Sub-total	-
Add/Less:	Category F Other items that should be excluded from the determination of the amount of available for dividends distribution	
	Net movement of treasury shares	-
Total Retained Earnings, end of the reporting period available for dividend		₱20,588,058

Legend:
Reporting Company
Parent Company
Subsidiary
Associate or Joint Venture
Other Related Parties

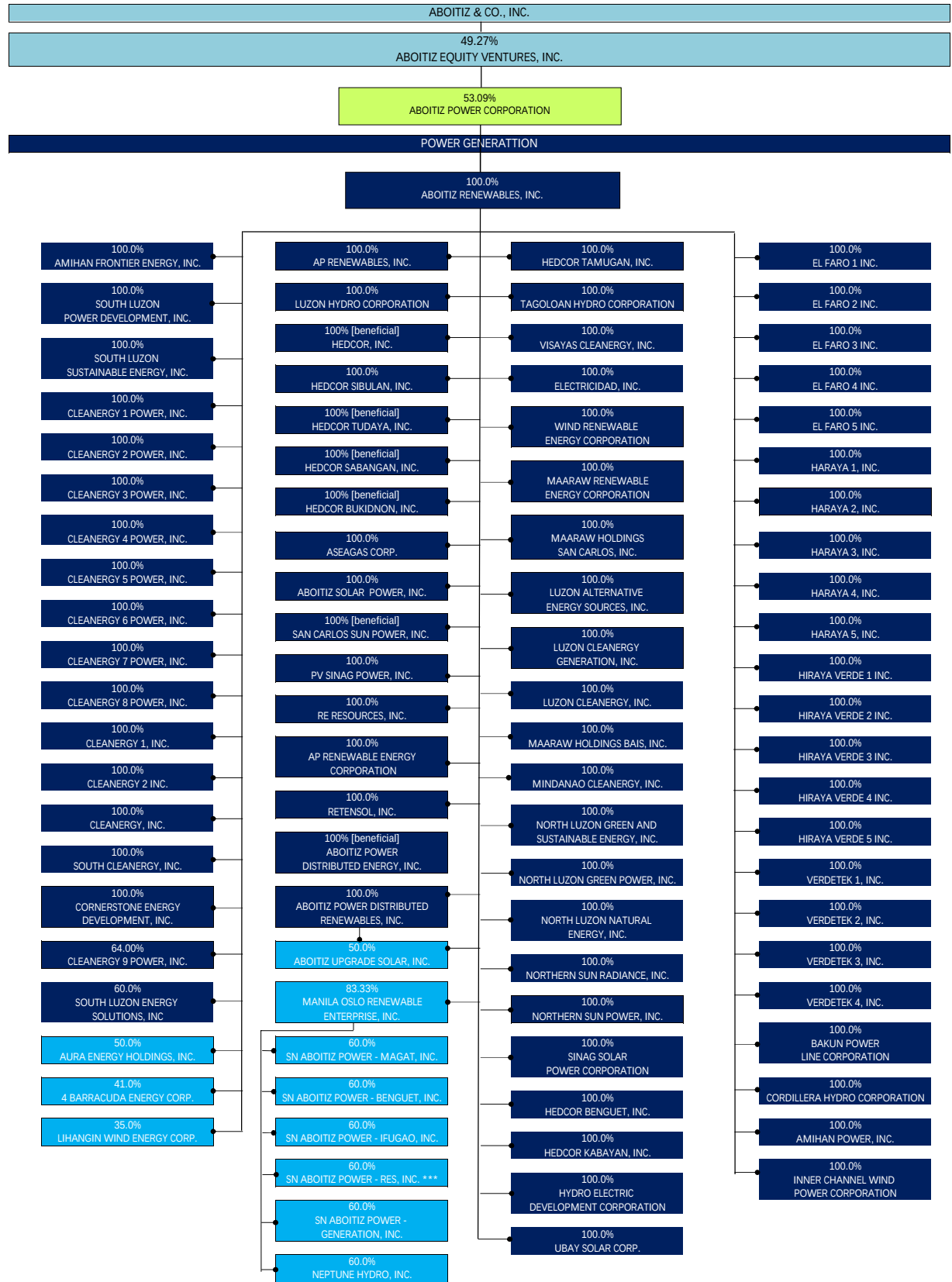


₁ formerly, Aboitiz Energy Solutions, Inc.

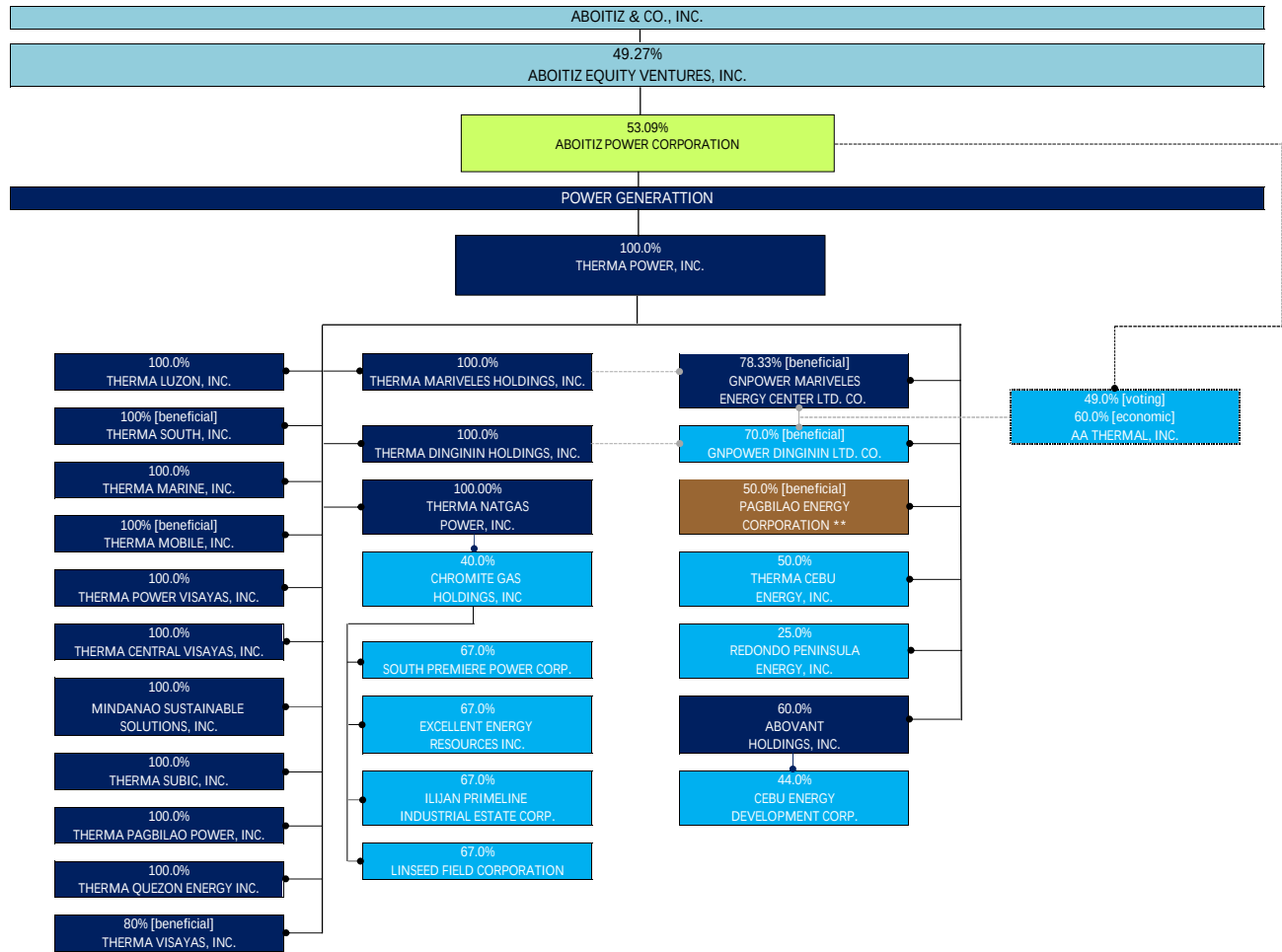
₂ formerly, STEAG State Power, Inc.

Legend:

- Reporting Company
- Parent Company
- Subsidiary
- Associate or Joint Venture
- Other Related Parties

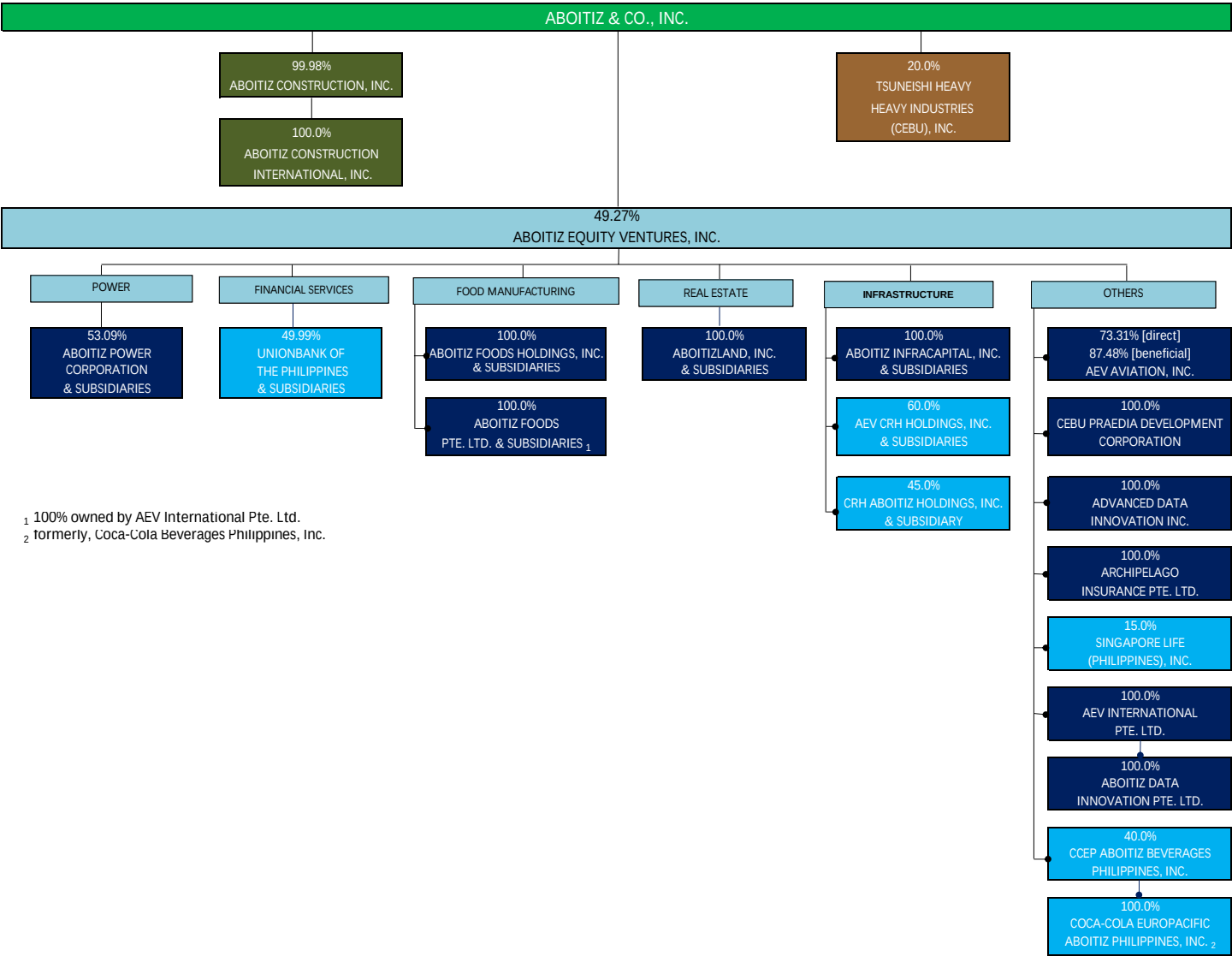


- Legend:
- Reporting Company
 - Parent Company
 - Subsidiary
 - Associate or Joint Venture
 - Other Related Parties



** Joint Operations

- Legend:
- Parent Company
 - Reporting Company
 - Co-Subsidiary
 - Subsidiary
 - Associate or Joint Venture
 - Other Related Parties



¹ 100% owned by AEV International Pte. Ltd.
² formerly, Coca-Cola Beverages Philippines, Inc.

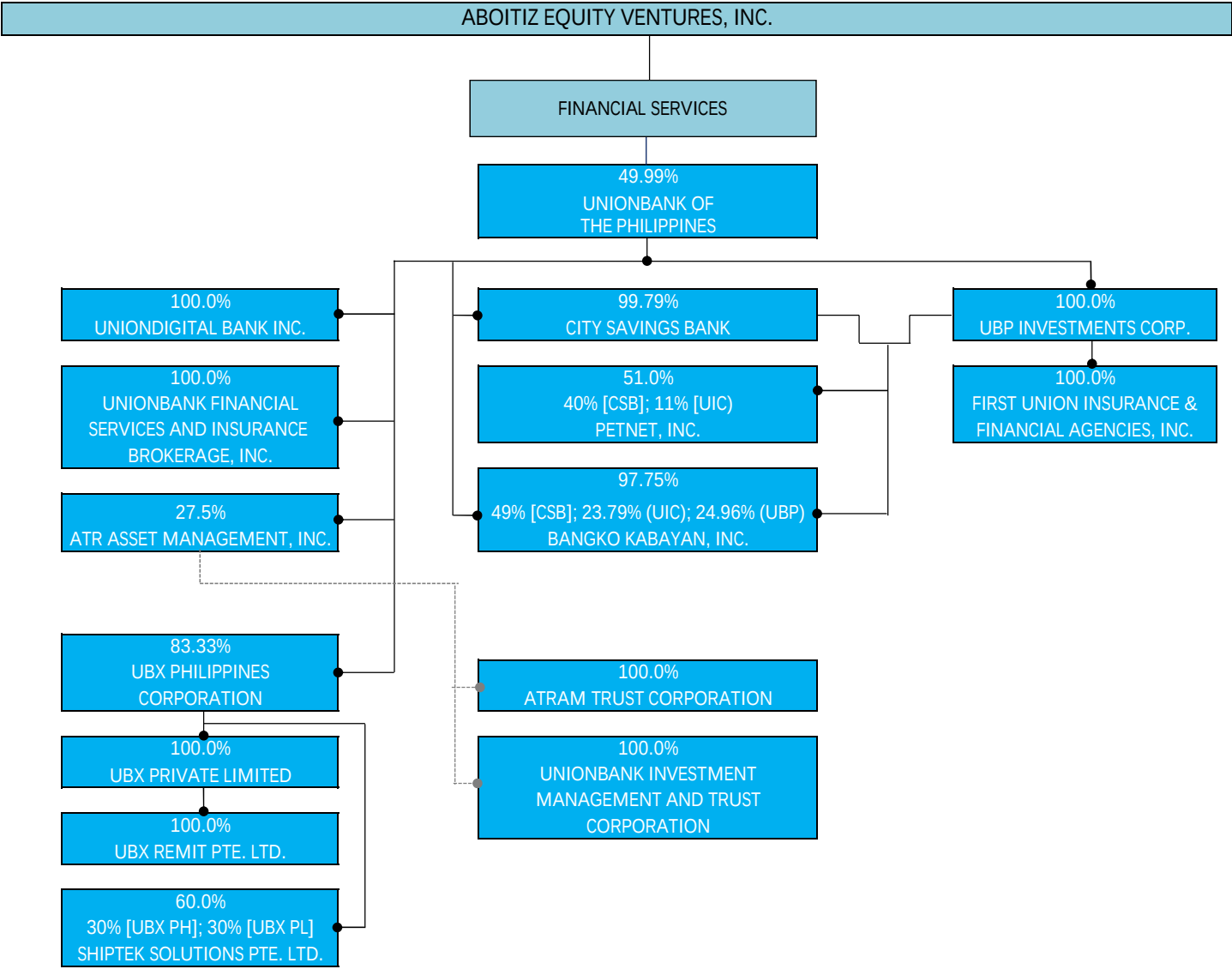
ABOITIZ EQUITY VENTURES, INC. - FINANCIAL SERVICES
CONGLOMERATE MAPPING
As of December 31, 2025

Legend:

Reporting Company

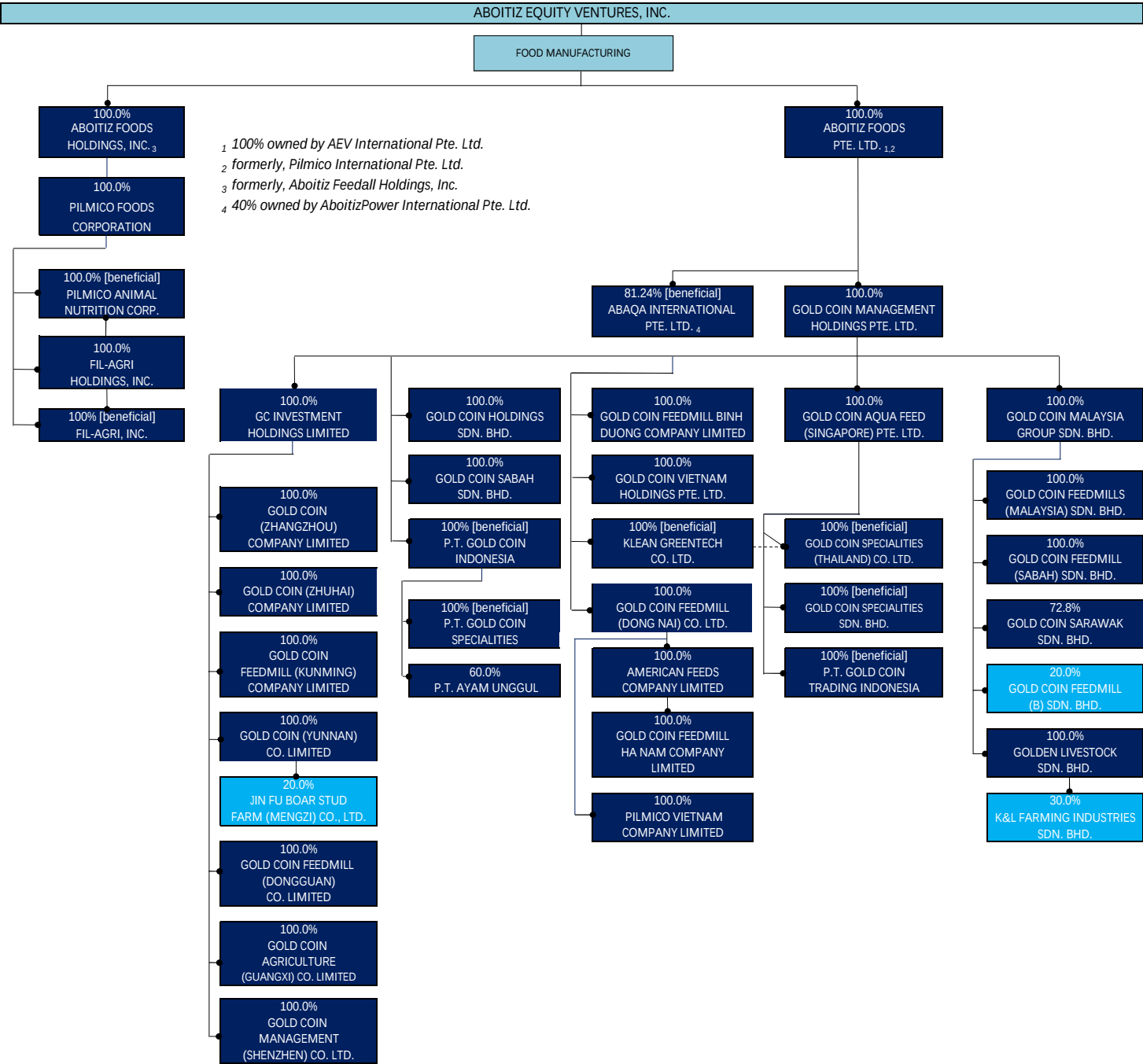
Subsidiary

Associate or Joint Venture



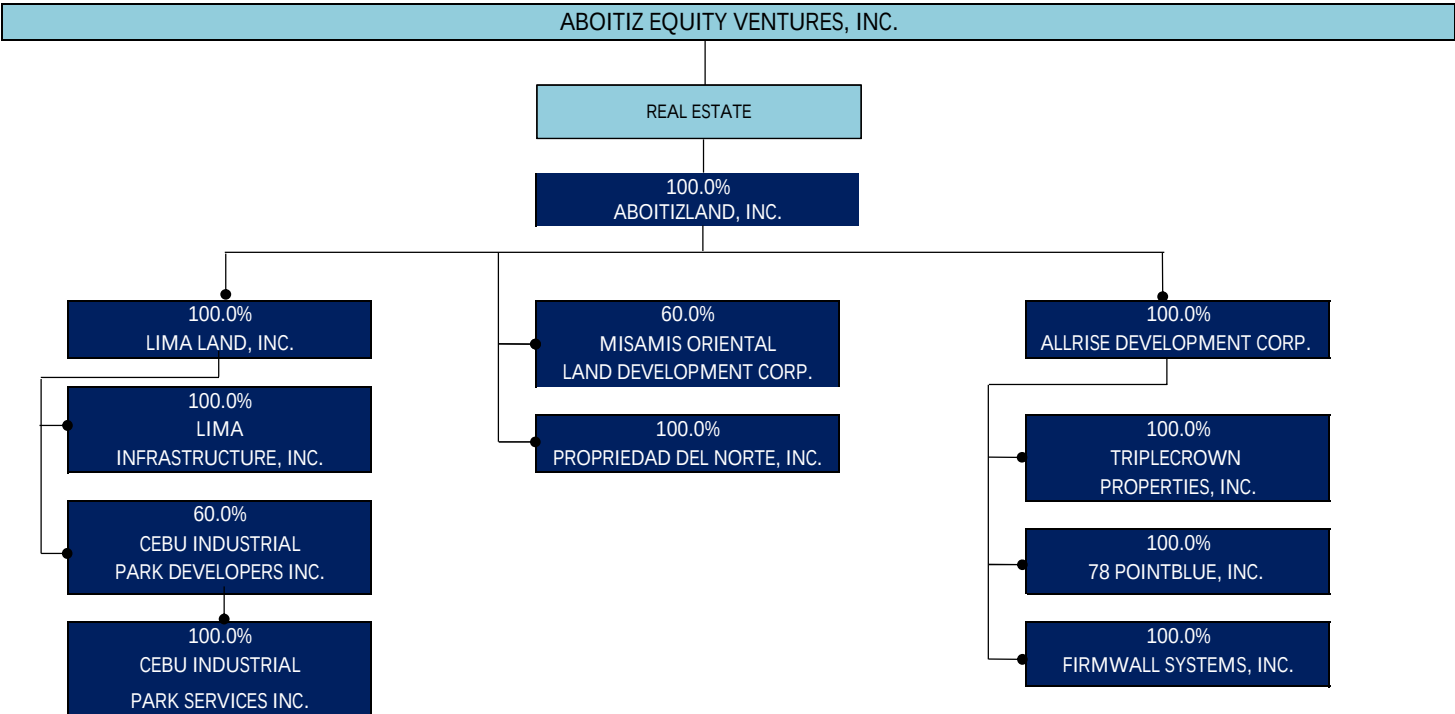
Legend:

- Reporting Company
- Subsidiary
- Associate or Joint Venture



ABOITIZ EQUITY VENTURES, INC. - REAL ESTATE
CONGLOMERATE MAPPING
As of December 31, 2025

- Legend:
- Reporting Company
 - Subsidiary
 - Associate or Joint Venture

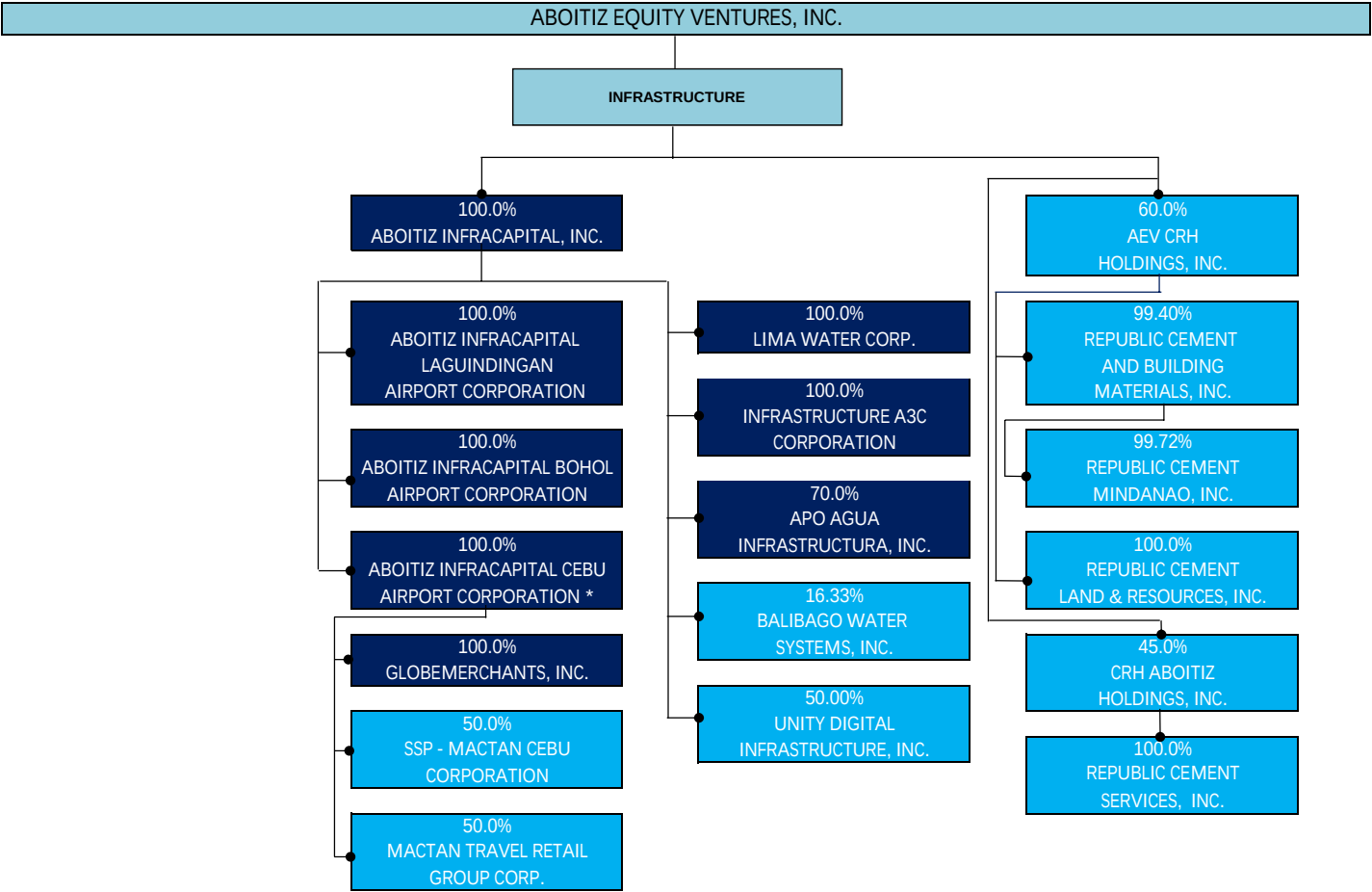


Legend:

Reporting Company

Subsidiary

Associate or Joint venture



* formerly, Aboitiz GMR Megawide Cebu Airport Corporation

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATOR

	FORMULA	2025	2024
LIQUIDITY RATIOS			
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.8	1.6
Acid test ratio	$\frac{\text{Cash + Marketable securities} + \text{Accounts receivable} + \text{Other liquid assets}}{\text{Current liabilities}}$	0.6	1.2
SOLVENCY RATIOS			
Debt to equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	1.9	1.4
Asset to equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	2.9	2.4
Net debt to equity ratio	$\frac{\text{Debt - Cash \& cash equivalents}}{\text{Total equity}}$	1.2	0.8
Gearing ratio	$\frac{\text{Debt - Cash \& cash equivalents}}{\text{Total equity} + (\text{Debt - Cash \& cash equivalents})}$	55%	46%
Interest coverage ratio	$\frac{\text{EBIT}}{\text{Interest expense}}$	2.5	4.0
PROFITABILITY RATIOS			
Operating margin	$\frac{\text{Operating profit}}{\text{Total revenues}}$	19%	21%
Return on equity	$\frac{\text{Net income after tax}}{\text{Total equity adjusted for cash dividends}}$	10%	20%

Aboitiz Power Corporation

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION

For the year ended December 31, 2025

	2025	2024
Total Audit Fees	₱27,882,688	₱23,675,096
Non-audit services fees:		
Tax services	10,770,942	9,349,139
All other services	8,885,962	14,387,896
Total Non-audit Fees	19,656,904	23,737,035
Total Audit and Non-audit Fees	₱47,539,592	₱47,412,131