AboitizPower

T (632) 8886-2600

Aboitiz Power Corporation
Ayala Triangle Gardens Tower 2, Paseo de Roxas cor.
Makati Ave., Makati City, Metro Manila, Philippines

August 14, 2025

via electronic mail
SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Bel-Air, Makati City

ATTENTION : **DIR. OLIVER O. LEONARDO**
Markets and Securities Regulation Department

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

ATTENTION : **ATTY. JOHANNE DANIEL M. NEGRE**
Officer-in-Charge, Disclosure Department

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

ATTENTION : **ATTY. SUZY CLAIRE B. SELLEZA**
Head – Issuer Compliance and Disclosures Department

Gentlemen:

Please see enclosed SEC Form 17-Q (2nd Quarterly Report 2025) of Aboitiz Power Corporation.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION
By:

MA. CLARISSE S. OSTERIA
Corporate Secretary

COVER SHEET

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S.E.C. Registration Number

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

(Company's Full Name)

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2 , P A S E O D E R O X A S C O R . M A K A T I
A V E N U E , M A K A T I C I T Y 1 2 2 6
M E T R O M A N I L A , P H I L I P P I N E S

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

MA. CLARISSE S. OSTERIA	**(632) 8886-2600**
Contact Person	Company Telephone Number

1 2 / 3 1	**2^{nd} Quarterly Report 2025** 1 7 - Q	**4^{th} Monday of April** 0 4 / 2 8
Month *Day* Fiscal Year	FORM TYPE	*Month* *Day* Annual Meeting

Secondary License Type, if Applicable

S E C	
Dept. Requiring this Doc	Amended Articles Number/Section

	x	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **June 30, 2025**

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

4. Exact name of issuer as specified in its charter

   ABOITIZ POWER CORPORATION

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

   Philippines

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

   Ayala Triangle Gardens Tower 2, Paseo de Roxas cor. Makati Ave., Makati City, Metro Manila, Philippines **1226**

8. Issuer's telephone number, including area code

   (632) 8886-2600

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

   N/A

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of June 30, 2025)
Common Stock ₱1 Par Value	**7,205,854,307**
Amount of Debt Outstanding	**₱291,086,518,000.00**

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

    Yes [**x**] No [ ]

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

    Philippine Stock Exchange **Common**

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation

Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [**x**] No [ ]

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

Yes [**x**] No [ ]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to the financial statements and schedules attached herewith.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

This section also includes a discussion of financial ratios. These financial ratios are unaudited and are not measurements of profitability in accordance with PFRS Accounting Standards and should not be considered as an alternative to net income or any other measure of performance which are in accordance with PFRS Accounting Standards.

Top Five Key Performance Indicators

Management uses the following indicators to evaluate the performance of 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 any impairment loss, 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 Group 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 finance 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 Statements 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.

Six-Month Period Ended June 30, 2025 versus Six-Month Period Ended June 30, 2024

The table below shows the comparative figures of the key performance indicators for the six-month period ended June 30, 2025 and June 30, 2024 and as of December 31, 2024:

Key Performance Indicators *(amounts in thousand PhP, except for financial ratios)*	**June 30, 2025 (Unaudited)**	June 30, 2024 **(Unaudited)**	**December 31, 2024 (Audited)**
SHARE IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	**9,309,683**	**7,942,710**	**15,693,423**
EBITDA	**31,167,531**	**35,582,041**	**71,734,307**
CASH FLOW GENERATED:			
Net cash flows from operating activities	21,889,383	24,395,312	46,128,685
Net cash flows used in investing activities	(52,091,162)	(7,621,521)	(12,702,189)
Net cash flows used in financing activities	20,345,550	(18,783,585)	(31,380,181)
Net increase (decrease) in cash and cash equivalents	**(9,856,229)**	**(2,009,794)**	**2,046,315**
Cash and cash equivalents, beginning	56,759,297	54,538,784	54,538,784
Cash and cash equivalents, end	46,877,919	52,474,658	56,759,297
CURRENT RATIO	**0.76**	**1.66**	**1.56**
NET DEBT-TO-EQUITY RATIO	**1.17**	**0.96**	**0.84**

- Share in net earnings in associates and joint ventures for the first half of 2025 increased by 17% compared to the same period in 2024. This increase was primarily driven by a ₱2.45 billion (bn) fresh contribution from the Group's investment in Chromite Gas Holdings, Inc. (CGHI) beginning January 2025, and higher contribution from Manila-Oslo Renewable Enterprise, Inc. (MORE) due to high water inflow and increase in the reserve market as the 2024 accruals were recorded at year-end. This was offset by the lower share in net earnings from GNPower Dinginin Ltd. Co. (GNPD) as the Group recognized the full impact of depreciation and interest expenses of GNPD Units 1 and 2, which was recognized beginning March 2024, as well as lower availability due to plant outages.

- EBITDA for the first half of 2025 declined by 12% compared to the same period last year, primarily due to the significant price decline of the Wholesale Electricity Spot Market, with the time-weighted average price falling by approximately 34% or ₱1.95 per kilowatt hour, in addition to the scheduled plant outages of Pagbilao, Therma Visayas, Inc. and GNPower Mariveles Energy Center Ltd. Co. plants during the earlier part of 2025.

- Cash and cash equivalents dropped by ₱9.88 bn from December 31, 2024 mainly due to payment of cash dividends of ₱16.93 bn. This was partially offset by loan availments during the period. Cash flows from operating activities remained positive at ₱21.89 bn.

- Current Ratio as of June 30, 2025 was at 0.76x as compared to 1.56x as of December 31, 2024. Meanwhile, Net Debt-to-Equity Ratio as of June 30, 2025 was at 1.17x, higher than the 0.84x recorded as of December 31, 2024. This change is due to the short-term debt incurred for the acquisition of CGHI.

Results of Operations

Net income attributable to equity holders of the parent for the first half of 2025 was ₱12.67 bn, representing a 26% decrease compared to the ₱17.13 bn reported in the first half of 2024.

Generation and Retail Electricity Supply

Energy sold totaled 19,440 gigawatt-hours (GWh) in the first half of 2025, a 9% increase from 17,758 GWh in the same period of 2024. Despite this, EBITDA from the generation and retail supply business declined by 6% to ₱30.8 billion, from ₱32.8 billion, primarily due to lower spot market prices.

Distribution

The distribution business posted ₱4.5 billion in EBITDA in the first half of 2025, a 3% increase from ₱4.4 billion in the same period of 2024, driven by higher sales volumes. Energy sales rose 4% year-on-year to 3,386 GWh, compared to 3,256 GWh in 2024.

Analysis of Material Changes (+/- 5% or more) in the Unaudited Interim Condensed Financial Statements

For the period ended June 30, 2025 (Unaudited) vs. June 30, 2024 (Unaudited)

The following table illustrates the movements in income statement items that contributed to the decrease in net income attributable to equity shareholders of parent as of June 30, 2025 (amounts in thousand Php):

Net income attributable to equity shareholders of Parent (as of June 30, 2024)	**₱17,127,669**
Decrease in operating revenues	(8,443,032)
Decrease in operating expenses	3,904,646
Increase in interest income	239,166
Increase in interest expense	(1,495,208)
Increase in share in net earnings of associates and joint ventures	1,366,973
Decrease in other income	(1,404,988)
Decrease in provision for taxes	1,149,238
Decrease in income attributable to non-controlling interests	222,144
Total	**(4,461,061)**
Net income attributable to equity shareholders of Parent (as of June 30, 2025)	**₱12,666,608**

Operating revenues - 8% decrease
Decrease of ₱8.44 bn mainly driven by a significant drop in spot prices, as well as plant outages.

Operating expenses - 5% decrease
Decrease of ₱3.90 bn due to lower generated power and fuel costs.

Interest income - 31% increase
Increase of ₱239.17 million (mn) on account of higher cash placed in money market placements during the period.

Interest expense and other financing costs - 21% increase
Increase of ₱1.50 bn as additional short-term loans were availed for the acquisition of CGHI, as well as additional interest from Aboitiz Renewables, Inc.'s loan which was availed in March 2024.

<u>Share in net earnings of associates and joint ventures - 17% increase</u>
Increase of ₱1.37 bn due to the fresh contribution from the Investment in CGHI and higher contribution from MORE, partly tempered by the decline in GNPD as the Group realizes the full impact of higher depreciation and interest expense, which started in March 2024.

<u>Other income (expenses) - net - 58% decrease</u>
Decrease of ₱1.40 bn due to nonrecurring sale of coal and insurance claims recognized in 2024.

<u>Provision for income tax - 28% decrease</u>
Decrease of ₱1.15 bn due to lower taxable income, and reduced provisions for deferred taxes on foreign exchange difference and prepayments.

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

For the period ended June 30, 2025 (Unaudited) vs. December 31, 2024 (Audited)

Balance Sheet items

<u>Assets</u>
Total assets as of June 30, 2025 compared to December 31, 2024 rose by ₱42.31 bn, or 8%. The major movements of the accounts contributing to the increase were as follows:

<u>Cash and cash equivalents - 17% decrease</u>
Decrease of ₱9.88 bn mainly due to payment of dividends.

<u>Inventories - 17% decrease</u>
Decrease of ₱2.37 bn due to lower fuel cost.

<u>Other current assets - 23% decrease</u>
Decrease of ₱3.45 bn primarily due to amortization of prepaid insurance related to plants, as well as lower restricted cash as a result of loan principal payments.

<u>Investments in and advances to associates - 58% increase</u>
Increase of ₱55.90 bn mainly driven by the Investment in CGHI, additional equity share from Investments in associates and joint ventures, partially offset by dividends received during the first half of 2025.

<u>Liabilities</u>
Compared to December 31, 2024, total liabilities as of June 30, 2025 slightly increased by ₱53.04 bn, or 18%. The major movements of accounts leading to the increase were as follows:

<u>Short-term loans - 196% increase</u>
Increase of ₱48.99 bn mainly coming from the loan availments during the period for the acquisition of CGHI.

<u>Lease liability (current and noncurrent) - 12% increase</u>
Increase of ₱519.16 mn mainly due to a new lease agreement for a new facility starting January 2025.

<u>Derivative liabilities (assets) - net - 316% decrease</u>
Decrease of ₱256.04 mn was due to the actualization of the foreign exchange hedge related to the Investment in CGHI.

<u>Trade and other payables - 13% increase</u>
Increase of ₱4.75 bn mainly due to higher nontrade payables, as well as the recognition of contingent liability from the acquisition of CGHI.

<u>Income tax payable - 36% decrease</u>
Decrease of ₱483.93 mn due to lower taxable income from lower EBITDA.

Customers' deposits - 5% increase
Increase of ₱503.43 mn due to the receipt of bill deposit top-ups from the customers of the distribution units.

Pension liability (asset) - net - 19% increase
Increase of ₱156.64 mn on account of additional retirement expense by the Group during the period.

Equity
Equity attributable to the shareholders of the Parent declined by ₱7.21 bn or 4% attributable to the distribution of dividends of ₱16.93 bn which exceeded the net income for the period of ₱12.67 bn. The cumulative translation adjustment and share in other comprehensive income of associates and joint ventures likewise declined by ₱2.03 bn (23%) and ₱815.43 mn (43%), respectively, as a result of the downward net assets translation as of June 30, 2025. Additionally, cash flow hedge reserve likewise dropped by ₱200.62 mn or 308% due to actualization of foreign exchange hedge related to the CGHI investment.

Material Changes in Liquidity and Cash Reserves of Registrant

As of June 30, 2025, the Group's cash and cash equivalents decreased by 17% to ₱46.88 bn, from ₱56.76 bn as of December 31, 2024.

Net cash flows from operating activities dropped from ₱24.40 bn during the first half of 2024 to ₱21.89 bn in the first half of 2025, primarily due to lower income during the period. Meanwhile, net cash used in investing activities rose from ₱7.62 bn to ₱52.09 bn primarily on account of additional investment in CGHI. Net cash flows provided by financing activities ended at ₱20.35 bn (from net cash used in financing activities of ₱18.78 bn during the same period last year). This was mainly attributable to availments of short and long-term borrowings, partly countered by higher interest payments in 2025 due to new loan availments.

Financial Ratios

Due to the short-term debt incurred for the acquisition of CGHI, the Company's current ratio dropped to 0.8x as of June 30, 2025, versus 1.6x at year-end 2024, and the net-debt-to-equity ratio increased to 1.2x, compared to 0.8x as of December 31, 2024.

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

(i) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Known trends, events, and uncertainties that may have material impact on AboitizPower have been discussed extensively in sections of the Company's Information Statement. For an extensive discussion on regulatory issues, see Effect of Existing or Probable Government Regulations on the Business on page 81 of AboitizPower's SEC Form 20-IS (2024 Definitive Information Statement).

(ii) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other persons created during the period.

None.

(iii) Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.

None.

(iv) Any material commitments for capital expenditures.

AboitizPower believes that its balance sheet gives it the capability to create or acquire additional generating capacity over the next few years. Please refer to Outlook for the Upcoming Year/ Known Trends, Events, and Uncertainties which may have Material Impact on the Registrant on page 124 of AboitizPower's SEC Form 20-IS (2024 Definitive Information Statement).

(v) Any known trends, events or uncertainties that have had or that are reasonably expected to have material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

Known trends, events, and uncertainties that may have a material impact on AboitizPower have been discussed extensively in sections of the Company's Information Statement. In particular, prices in the Wholesale Electricity Spot Market (WESM) can be volatile and thus impact the business. For an extensive discussion on regulatory issues, see Effect of Existing or Probable Government Regulations on the Business on page 81 of AboitizPower's SEC Form 20-IS (2024 Definitive Information Statement).

Risk management processes are in place to mitigate the impact of interest rate, foreign exchange rate, and commodity price movements across AboitizPower and its subsidiaries. The Company will continue to align and adjust its operations to adapt to changing regulatory environments and climate conditions.

(vi) Any significant elements of income or loss that did not arise from the registrant's continuing operations.

None.

(vii) Any seasonal aspects that had a material effect on the financial condition or results of operations.

El Niño and La Niña climate patterns can have an impact on the Company's hydro generation business. Other seasonal factors may include: temperature, production of industries, and construction activities.

(viii) The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item.

None.

PART II - OTHER INFORMATION

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

SIGNATURES

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

Issuer	**ABOITIZ POWER CORPORATION**
Principal Accounting Officer	**Ma. Racquel J. Bustamante**
Signature and Title	**SVP - Deputy Chief Financial Officer/Treasurer**
Date	August 14, 2025
Authorized Officer of the Issuer	**Ma. Clarisse S. Osteria**
Signature and Title	**Corporate Secretary**
Date	August 14, 2025

Aboitiz Power Corporation and Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements

As of June 30, 2025 (with Comparative Audited Figures as of December 31, 2024)

and for the Six-Month Periods Ended June 30, 2025 and 2024

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED BALANCE SHEETS
(With Comparative Figures as of December 31, 2024)
(Amounts in Thousands)

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	**₱46,877,919**	₱56,759,297
Trade and other receivables (Note 6)	**36,312,076**	36,593,245
Derivative assets (Note 21)	**2,525**	314,646
Inventories	**11,877,562**	14,251,718
Other current assets (Note 7)	**11,653,411**	15,107,447
Total Current Assets	**106,723,493**	123,026,353
Noncurrent Assets		
Investments and advances (Note 8)	**151,826,472**	95,930,192
Property, plant and equipment	**223,132,150**	220,158,293
Intangible assets (Note 10)	**50,458,943**	51,859,795
Net pension assets	**57,641**	78,304
Deferred income tax assets	**1,585,128**	1,333,484
Other noncurrent assets (Note 11)	**26,144,608**	25,229,646
Total Noncurrent Assets	**453,204,942**	394,589,714
TOTAL ASSETS	**₱559,928,435**	₱517,616,067
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Note 13)	**₱74,025,070**	₱25,035,435
Current portions of:		
Long-term debts (Note 14)	**24,278,547**	16,465,260
Lease liabilities (Note 22)	**179,099**	170,877
Long-term obligation on power distribution system	**40,000**	40,000
Derivative liabilities (Note 21)	**176,976**	229,918
Trade and other payables (Note 12)	**40,457,074**	35,706,641
Income tax payable	**853,971**	1,337,864
Total Current Liabilities	**140,010,737**	78,985,995

(Forward)

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED BALANCE SHEETS
(With Comparative Figures as of December 31, 2024)
(Amounts in Thousands)

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Noncurrent Liabilities		
Noncurrent portions of:		
Long-term debts (Note 14)	**₱187,817,849**	₱197,254,006
Lease liabilities (Note 22)	**4,785,953**	4,275,016
Long-term obligation on power distribution system	**62,899**	57,238
Derivative liabilities - net of current portion (Note 21)	**555**	3,698
Customers' deposits	**10,019,318**	9,515,891
Decommissioning liability	**5,381,796**	5,259,205
Deferred income tax liabilities	**5,652,454**	5,478,492
Net pension liabilities	**1,025,821**	889,844
Total Noncurrent Liabilities	**214,746,645**	222,733,390
Total Liabilities	**354,757,382**	301,719,385
Equity Attributable to Equity Holders of the Parent		
Paid-in capital	**19,947,498**	19,947,498
Share in other comprehensive income of associates and joint ventures (Note 8)	**1,076,816**	1,892,252
Cumulative translation adjustments	**6,893,022**	8,921,693
Cash flow hedge reserve	**(135,403)**	65,221
Actuarial losses on defined benefit plans	**(1,200,890)**	(1,212,778)
Equity reserve	**(6,124,735)**	(6,212,785)
Treasury stock - at cost	**(4,891,831)**	(4,891,831)
Retained earnings (Note 23)		
Appropriated	**11,900,000**	11,900,000
Unappropriated	**168,555,604**	172,822,755
	196,020,081	203,232,025
Non-controlling Interests	**9,150,972**	12,664,657
Total Equity	**205,171,053**	215,896,682
TOTAL LIABILITIES AND EQUITY	**₱559,928,435**	₱517,616,067

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Earnings Per Share Amounts)

	Periods Ended June 30		Quarters Ended June 30	
	2025	2024	**2025**	2024
OPERATING REVENUES (Note 19)	**₱91,796,423**	₱100,239,455	**₱47,593,866**	₱55,097,186
OPERATING EXPENSES (Note 16)	**77,499,780**	81,404,426	**40,233,644**	43,683,226
OPERATING PROFIT	**14,296,643**	18,835,029	7,360,222	11,413,960
FINANCIAL EXPENSES - net				
Interest income	**1,016,806**	777,640	**469,042**	393,749
Interest expense and other financing costs (Note 20)	**(8,691,809)**	(7,196,601)	**(4,496,216)**	(3,682,710)
	(7,675,003)	(6,418,961)	**(4,027,174)**	(3,288,961)
OTHER INCOME (EXPENSES)				
Share in net earnings of associates and joint ventures (Note 8)	**9,309,683**	7,942,710	**5,943,133**	3,763,704
Other income - net (Note 17)	**999,739**	2,404,727	**989,842**	938,994
	10,309,422	10,347,437	**6,932,975**	4,702,698
INCOME BEFORE INCOME TAX	**16,931,062**	22,763,505	**10,266,023**	12,827,697
PROVISION FOR INCOME TAX	**2,889,885**	4,039,123	**1,418,563**	2,422,886
NET INCOME	**₱14,041,177**	₱18,724,382	**₱8,847,460**	₱10,404,811
ATTRIBUTABLE TO:				
Equity holders of the parent	**₱12,666,608**	₱17,127,669	**₱8,049,994**	₱9,264,232
Non-controlling interests	**1,374,569**	1,596,713	**797,466**	1,140,579
	₱14,041,177	₱18,724,382	**₱8,847,460**	₱10,404,811
EARNINGS PER COMMON SHARE (Note 18)				
Basic and diluted, income for the period attributable to ordinary equity holders of the parent	**₱1.76**	₱2.38	**₱1.12**	₱1.29

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Periods Ended June 30		Quarters Ended June 30	
	2025	2024	**2025**	2024
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the parent	**₱12,666,608**	₱17,127,669	**₱8,049,994**	₱9,264,232
Non-controlling interests	**1,374,569**	1,596,713	**797,466**	1,140,579
	14,041,177	18,724,382	**8,847,460**	10,404,811
OTHER COMPREHENSIVE INCOME (LOSS)				
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:				
Movement in cumulative translation adjustments	**(2,206,067)**	3,471,493	**(1,051,151)**	2,676,684
Movement in cash flow hedges	**(195,938)**	613,398	**(112,451)**	477,121
Share in movement in cumulative translation adjustment of associates and joint ventures (Note 8)	**(747,262)**	549,408	**(332,413)**	623,177
	(3,149,267)	4,634,299	**(1,496,015)**	3,776,982
Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:				
Share in net unrealized valuation loss on FVOCI investment of an associate (Note 8)	**12,147**	—	**12,147**	—
Actuarial loss on defined benefit	**11,888**	(8,685)	**(23)**	(45,106)
Share in actuarial gains (loss) on defined benefit plans of associates and joint ventures, net of tax (Note 8)	**(80,321)**	(9,282)	**—**	(30,864)
	(56,286)	(17,967)	**12,124**	(75,970)
Total other comprehensive income (loss)	**(3,205,553)**	4,616,332	**(1,483,891)**	3,701,012
TOTAL COMPREHENSIVE INCOME	**₱10,835,624**	₱23,340,714	**₱7,363,569**	₱14,105,823
ATTRIBUTABLE TO:				
Equity holders of the parent	**₱9,633,765**	₱21,164,074	**₱6,892,613**	₱12,559,159
Non-controlling interests	**1,201,859**	2,176,640	**470,956**	1,546,664
	₱10,835,624	₱23,340,714	**₱7,363,569**	₱14,105,823

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED JUNE 30, 2025 AND 2024
(Amounts in Thousands, Except Dividends Per Share Amounts)

	Attributable to Equity Holders of the Parent											
								Retained Earnings (Note 23)				
	Paid-in Capital	**Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures (Note 8)**	**Cumulative Translation Adjustments**	**Cash Flow Hedge Reserve**	**Actuarial Gains (Losses) on Defined Benefit Plans**	**Equity Reserve**	**Treasury Stock (Note 24)**	**Appropriated**	**Unappropriated**	**Total Attributable to Equity Holders of the Parent**	**Non-controlling Interests**	**Total**
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 period	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**12,666,608**	**12,666,608**	**1,374,569**	**14,041,177**
Other comprehensive income (loss)	**—**	**(815,436)**	**(2,028,671)**	**(200,624)**	**11,888**	**—**	**—**	**—**	**—**	**(3,032,843)**	**(172,710)**	**(3,205,553)**
Total comprehensive income (loss)	**—**	**(815,436)**	**(2,028,671)**	**(200,624)**	**11,888**	**—**	**—**	**—**	**12,666,608**	**9,633,765**	**1,201,859**	**10,835,624**
Cash dividends - P2.35 per share (Note 23)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(16,933,759)**	**(16,933,759)**	**—**	**(16,933,759)**
Acquisition of non-controlling interest (Note 24)	**—**	**—**	**—**	**—**	**—**	**88,050**	**—**	**—**	**—**	**88,050**	**(88,050)**	**—**
Cash dividends paid to non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(4,627,494)**	**(4,627,494)**
Balances at June 30, 2025	**₱19,947,498**	**₱1,076,816**	**₱6,893,022**	**(₱135,403)**	**(₱1,200,890)**	**(₱6,124,735)**	**(₱4,891,831)**	**₱11,900,000**	**₱168,555,604**	**₱196,020,081**	**₱9,150,972**	**₱205,171,053**
Balances at January 1, 2024	₱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
Net income for the period	—	—	—	—	—	—	—	—	17,127,669	17,127,669	1,596,713	18,724,382
Other comprehensive income	—	540,127	2,945,548	559,415	(8,685)	—	—	—	—	4,036,405	579,927	4,616,332
Total comprehensive income	—	540,127	2,945,548	559,415	(8,685)	—	—	—	17,127,669	21,164,074	2,176,640	23,340,714
Cash dividends - P2.30 per share (Note 23)	—	—	—	—	—	—	—	—	(16,573,466)	(16,573,466)	—	(16,573,466)
Acquisition of non-controlling interest	—	—	—	—	—	962,957	—	—	—	962,957	(1,595,842)	(632,885)
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(2,338,890)	(2,338,890)
Balances at June 30, 2024	₱19,947,498	₱1,191,229	₱8,709,689	₱290,133	(₱1,292,541)	(₱6,212,785)	(₱4,891,831)	₱11,900,000	₱156,050,239	₱185,691,631	₱12,078,207	₱197,769,838

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Periods Ended June 30		Quarters Ended June 30	
	2025	2024	**2025**	2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	**₱16,931,062**	₱22,763,505	**₱10,266,023**	₱12,827,697
Adjustments for:				
Interest expense and other financing costs (Note 20)	**8,691,809**	7,196,601	**4,496,216**	3,682,710
Depreciation and amortization (Note 16)	**6,419,319**	6,126,479	**3,247,429**	3,091,531
Net unrealized foreign exchange losses	**25,149**	54,332	**73,710**	94,593
Loss on disposal of property, plant and equipment (Note 17)	**8,706**	135,793	**17,175**	59,737
Share in net earnings of associates and joint ventures (Note 8)	**(9,309,683)**	(7,942,710)	**(5,943,133)**	(3,763,704)
Interest income	**(1,016,806)**	(777,640)	**(469,042)**	(393,749)
Unrealized fair valuation loss (gain) on derivatives	**318**	—	**318**	(60,708)
Operating income before working capital changes	**21,749,874**	27,556,360	**11,688,696**	15,538,107
Decrease (increase) in:				
Trade and other receivables	**(751,810)**	(3,620,833)	**(409,249)**	(2,817,986)
Inventories	**2,374,156**	958,056	**533,280**	(627,246)
Concession asset	**655,061**	—	**346,874**	—
Other assets	**1,232,058**	1,838,702	**67,157**	635,126
Increase (decrease) in:				
Trade and other payables	**(479,193)**	739,935	**(1,704,393)**	(769,968)
Customers' deposits	**503,427**	796,796	**30,180**	338,637
Net cash generated from operations	**25,283,573**	28,269,016	**10,552,545**	12,296,670
Income and final taxes paid	**(3,394,190)**	(3,873,704)	**(2,837,697)**	(3,237,937)
Net cash flows from operating activities	**21,889,383**	24,395,312	**7,714,848**	9,058,733
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash dividends received (Note 8)	**3,610,236**	2,280,317	**3,578,671**	1,719,665
Interest received	**1,035,685**	822,169	**420,791**	379,235
Proceeds from redemption of shares (Note 8)	**—**	6,940	**—**	—
Increase in other noncurrent assets	**(720,027)**	(2,649,799)	**(731,439)**	(1,506,310)
Net payment of advances	**—**	80,033	**—**	5,183
Proceeds from sale of property, plant and equipment	**24,664**	18,345	**24,664**	18,345
Additions to:				
Property, plant and equipment	**(8,716,073)**	(7,845,561)	**(5,340,996)**	(5,570,844)
Intangible assets	**(544,489)**	(333,965)	**(324,268)**	(464,946)
Additional investments (Note 8)	**(46,781,158)**	—	**(64,194)**	—
Net cash flows used in investing activities	**(52,091,162)**	(7,621,521)	**(2,436,771)**	(5,419,672)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of long-term debt	**(5,407,561)**	(5,288,376)	**(960,761)**	(660,528)
Availments of long-term debt	**4,800,000**	8,850,000	**4,800,000**	—
Net availments (payments) of short-term loans (Note 13)	**49,024,480**	4,132,670	**(116,790)**	635,714
Cash dividends paid (Note 23)	**(16,933,258)**	(16,561,171)	**—**	11,035
Payments of lease liabilities, including interest accretion (Note 22)	**(154,627)**	(78,747)	**(67,213)**	(24,557)
Acquisition of non-controlling interest (Note 24)	**—**	(632,885)	**—**	(632,885)
Payment of dividends to non-controlling interests (Note 24)	**(1,921,738)**	(2,338,890)	**(834,354)**	(211,200)
Interest paid	**(9,061,746)**	(6,866,186)	**(4,676,629)**	(3,816,680)
Net cash flows from (used) in financing activities	**20,345,550**	(18,783,585)	**(1,855,747)**	(4,699,101)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(9,856,229)**	(2,009,794)	**3,422,330**	(1,060,040)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND EQUIVALENTS	**(25,149)**	(54,332)	**(54,754)**	(94,593)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**56,759,297**	54,538,784	**43,510,343**	53,629,291
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 5)	**₱46,877,919**	₱52,474,658	**₱46,877,919**	₱52,474,658

See accompanying Notes to Interim Condensed 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 and power distribution in the Aboitiz Group. As of June 30, 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 registered office address of the Company is Ayala Triangle Gardens Tower 2 Paseo De Roxas corner Makati Avenue, Bel-Air 1209 City of Makati.

2. Group Information

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

The following are the subsidiaries as of June 30, 2025 and December 31, 2024:

	Nature of Business	**June 30, 2025**		December 31, 2024	
		Direct	**Indirect**	Direct	Indirect
Aboitiz Renewables, Inc. (ARI) and Subsidiaries	Power generation	**100.00**	**–**	100.00	–
AP Renewables, Inc. (APRI)	Power generation	**–**	**100.00**	–	100.00
Aboitiz Power Distributed Energy, Inc.	Power generation	**–**	**100.00**	–	100.00
Aboitiz Power Distributed Renewables, Inc.	Power generation	**–**	**100.00**	–	100.00
Hedcor, Inc. (HI)	Power generation	**–**	**100.00**	–	100.00
Hedcor Sibulan, Inc. (HSI)	Power generation	**–**	**100.00**	–	100.00
Hedcor Tudaya, Inc. (HTI)	Power generation	**–**	**100.00**	–	100.00
Luzon Hydro Corporation (LHC)	Power generation	**–**	**100.00**	–	100.00
Sinag Solar Power Corporation (formerly AP Solar Tiwi, Inc.)*	Power generation	**–**	**100.00**	–	100.00
Retensol, Inc.*	Power generation	**–**	**100.00**	–	100.00
AP Renewable Energy Corporation*	Power generation	**–**	**100.00**	–	100.00
Aseagas Corporation (Aseagas)*	Power generation	**–**	**100.00**	–	100.00
Bakun Power Line Corporation*	Power generation	**–**	**100.00**	–	100.00
Cleanergy, Inc.*	Power generation	**–**	**100.00**	–	100.00
Cordillera Hydro Corporation*	Power generation	**–**	**100.00**	–	100.00
Hedcor Benguet, Inc.*	Power generation	**–**	**100.00**	–	100.00
Hedcor Bukidnon, Inc. (Hedcor Bukidnon)	Power generation	**–**	**100.00**	–	100.00
Hedcor Kabayan, Inc. *	Power generation	**–**	**100.00**	–	100.00
PV Sinag Power, Inc. (formerly Hedcor Ifugao, Inc.)*	Power generation	**–**	**100.00**	–	100.00
Amihan Power, Inc. (formerly Hedcor Kalinga, Inc.)*	Power generation	**–**	**100.00**	–	100.00

	Nature of Business	June 30, 2025		December 31, 2024	
		Direct	**Indirect**	Direct	Indirect
Aboitiz Solar Power, Inc. (formerly Hedcor Itogon Inc.)*	Power generation	–	**100.00**	–	100.00
Hedcor Manolo Fortich, Inc.*	Power generation	–	**100.00**	–	100.00
Amihan Frontier Energy, Inc. (formerly Hedcor Mt. Province, Inc.)*	Power generation	–	**100.00**	–	100.00
Hedcor Sabangan, Inc. (Hedcor Sabangan)	Power generation	–	**100.00**	–	100.00
Hedcor Tamugan, Inc.*	Power generation	–	**100.00**	–	100.00
RE Resources, Inc. (formerly Mt. Apo Geopower, Inc.)*	Power generation	–	**100.00**	–	100.00
Visayas Cleanergy, Inc. (formerly Negron Cuadrado Geopower, Inc. (NCGI))*	Power generation	–	**100.00**	–	100.00
Tagoloan Hydro Corporation*	Power generation	–	**100.00**	–	100.00
Luzon Hydro Company Limited*	Power generation	–	**100.00**	–	100.00
Electricidad, Inc. (formerly La Filipina Electrika, Inc.)*	Power generation	–	**100.00**	–	100.00
Wind Renewable Energy Corporation*	Power generation	–	**100.00**	–	100.00
Maaraw Renewable Energy Corporation*	Power generation	–	**100.00**	–	100.00
Maaraw Holdings San Carlos, Inc. (MHSCI)	Holding company	–	**100.00**	–	100.00
San Carlos Sun Power, Inc. (Sacasun)	Power generation	–	**100.00**	–	100.00
Luzon Alternative Energy Sources, Inc.*	Power generation	–	**100.00**	–	100.00
Luzon Cleanergy Generation, Inc.*	Power generation	–	**100.00**	–	100.00
Luzon Cleanergy, Inc.*	Power generation	–	**100.00**	–	100.00
Maaraw Holdings Bais, Inc.*	Power generation	–	**100.00**	–	100.00
Mindanao Cleanergy, Inc.*	Power generation	–	**100.00**	–	100.00
North Luzon Green and Sustainable Energy, Inc.*	Power generation	–	**100.00**	–	100.00
North Luzon Green Power, Inc.*	Power generation	–	**100.00**	–	100.00
North Luzon Natural Energy, Inc.*	Power generation	–	**100.00**	–	100.00
Northern Sun Power, Inc.*	Power generation	–	**100.00**	–	100.00
Northern Sun Radiance, Inc.*	Power generation	–	**100.00**	–	100.00
South Cleanergy, Inc.*	Power generation	–	**100.00**	–	100.00
South Luzon Energy Solutions, Inc.*	Power generation	–	**100.00**	–	100.00
South Luzon Power Development, Inc.*	Power generation	–	**100.00**	–	100.00
South Luzon Sustainable Energy, 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
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 9 Power, Inc.*	Power generation	–	**100.00**	–	100.00
Inner Channel Wind Power Corporation.*	Power generation	–	**100.00**	–	100.00
Hydro Electric Development Corporation*	Power generation	–	**99.97**	–	99.97
Cornerstone Energy Development, Inc.*	Power generation	–	**100.00**	–	60.00

	Nature of Business	June 30, 2025		December 31, 2024	
		Direct	**Indirect**	Direct	Indirect
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**	–	–
Haraya 1, Inc.*	Power generation	**–**	**100.00**	–	–
Haraya 2, Inc.*	Power generation	**–**	**100.00**	–	–
Haraya 3, Inc.*	Power generation	**–**	**100.00**	–	–
Haraya 4, Inc.*	Power generation	**–**	**100.00**	–	–
Haraya 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**	–	–
Therma Power, Inc. (TPI) and Subsidiaries	Power generation	**100.00**	**–**	100.00	–
Mindanao Sustainable Solutions, Inc.*	Services	**–**	**100.00**	–	100.00
Therma Luzon, Inc. (TLI)	Power generation	**–**	**100.00**	–	100.00
Therma Marine, Inc. (Therma Marine)	Power generation	**–**	**100.00**	–	100.00
Therma Mobile, Inc. (Therma Mobile)	Power generation	**–**	**100.00**	–	100.00
Therma South, Inc. (TSI)	Power generation	**–**	**100.00**	–	100.00
Therma Power-Visayas, Inc. (TPVI)	Power generation	**–**	**100.00**	–	100.00
Therma Central Visayas, Inc.*	Power generation	**–**	**100.00**	–	100.00
Therma Subic, Inc.*	Power generation	**–**	**100.00**	–	100.00
Therma Mariveles Holdings, Inc.	Holding company	**–**	**100.00**	–	100.00
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. (formerly GNPower Mariveles Coal Plant) (GMEC)	Power generation	**–**	**78.33**	–	78.33
Therma Dinginin Holdings, Inc.	Holding company	**–**	**100.00**	–	100.00
Therma Visayas, Inc. (TVI)	Power generation	**–**	**80.00**	–	80.00
Abovant Holdings, Inc.	Holding company	**–**	**60.00**	–	60.00
AboitizPower International Pte. Ltd. (API)	Holding company	**100.00**	**–**	100.00	–
Cleanergy Asia Power Holdings Pte Ltd.	Holding company	**–**	**100.00**	–	100.00
AP Lariang Pte Ltd.	Holding company	**–**	**100.00**	–	100.00
Adventpower, Inc. (API) (formerly Aboitiz Energy Solutions, Inc.)	Retail electricity supplier	**100.00**	**–**	100.00	–
Adventenergy, Inc. (AI)	Retail electricity supplier	**100.00**	**–**	100.00	–

	Nature of Business	June 30, 2025		December 31, 2024	
		Direct	**Indirect**	Direct	Indirect
Balamban Enerzone Corporation (BEZ)	Power distribution	**100.00**	**–**	100.00	–
Lima Enerzone Corporation (LEZ)	Power distribution	**100.00**	**–**	100.00	–
Mactan Enerzone Corporation (MEZ)	Power distribution	**100.00**	**–**	100.00	–
Malvar Enerzone Corporation (MVEZ)	Power distribution	**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
Cotabato Light and Power Company (CLP)	Power distribution	**99.94**	**–**	99.94	–
Cotabato Ice Plant, Inc.	Manufacturing	**–**	**100.00**	–	100.00
Davao Light & Power Company, Inc. (DLP)	Power distribution	**99.93**	**–**	99.93	–
SPI Power Incorporated (SPI) (formerly STEAG State Power, Inc.)	Power generation	**85.00**	**–**	85.00	–
Subic Enerzone Corporation (SEZ)	Power distribution	**65.00**	**34.98**	65.00	34.98
Cebu Private Power Corporation (CPPC)	Power generation	**60.00**	**–**	60.00	–
Prism Energy, Inc. (PEI)	Retail electricity supplier	**60.00**	**–**	60.00	–
Visayan Electric Company (VECO)	Power distribution	**55.26**	**–**	55.26	–
Cell Power Energy Corporation (formerly Olongapo Energy Corporation)*	Power generation	**100.00**	**–**	100.00	–
1882 Energy Ventures Incorporated	Holding company	**100.00**	**–**	100.00	–
Heritage Light and Power Corporation*	Power distribution	**100.00**	**–**	100.00	–
Orient Light and Power Corporation	Power distribution	**100.00**	**–**	100.00	**–**
Peninsula Electric Corporation*	Power distribution	**100.00**	**–**	100.00	**–**
Potentia Insurance Pte Ltd	Insurance company	**100.00**	**–**	100.00	–
PowerPlus Innovation, Inc.*	Management services	**100.00**	**–**	100.00	**–**
A+ Power Services Inc.	Power distribution	**–**	**100.00**	–	100.00
Pole2Pole Inc.	Power distribution	**–**	**100.00**	–	100.00
Cleanergy 10 Power, Inc.*	Power generation	**–**	**100.00**	–	100.00
1882 Energy Ventures Incorporated	Holding company	**100.00**	–	100.00	**–**
AP Electric Mobility Inc.*	Electric vehicle operation	**–**	**100.00**	–	100.00

** No commercial operations as of June 30, 2025*

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
Potentia Insurance Pte. Ltd.	Singapore
APIBV	Netherlands

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

Basis of Financial Statement Preparation

The unaudited interim condensed consolidated financial statements of the Group 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 unaudited interim condensed consolidated financial statements are presented in Philippine peso, which is the Company's functional currency, and all values are rounded to the nearest thousands, except for earnings per share and exchange rates and as otherwise indicated.

Statement of Compliance

The unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual audited consolidated financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements as of and for the year ended December 31, 2024, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

On August 8, 2025, the Board of Directors (BOD) of the Company approved and authorized the release of the unaudited interim condensed consolidated financial statements of the Group.

Changes in Accounting Policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those of the previous financial year, except for the amendments to existing standards which were applied starting January 1, 2025. There are no significant changes affecting the unaudited interim condensed consolidated financial statements from these adoptions. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Effective beginning on or after January 1, 2025

- Amendments to 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.

Effective beginning on or after January 1, 2026

- 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.

- 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 FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

On February 14, 2025, the FSRSC approved the amendment to PFRS 17, *Insurance Contracts* 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.

On the same date, the FSRSC also adopted the amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity* that clarify the application of 'own-use' requirements for in-scope contracts that reference nature-dependent electricity and expose an entity to variability in an underlying amount of electricity. With respect to hedge accounting requirements, the amendments now allow an entity to designate a contract referencing nature-dependent electricity as the hedging instrument in a hedge of forecast electricity transactions. An entity shall apply the foregoing amendments for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

- 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. The application of the standard is optional for eligible entities.

Deferred effectivity

- Amendments to PFRS 10, Consolidated Financial Statements, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address 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 Financial and Sustainability Reporting Standards Council 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 such transactions and of other aspects of accounting for associates and joint ventures.

4. **Significant Accounting Judgments, Estimates and Assumptions**

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

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

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

5. **Cash and Cash Equivalents**

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash on hand and in banks	**₱14,111,380**	₱7,812,135
Short-term deposits	**32,766,539**	48,947,162
	₱46,877,919	₱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 of up to three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposits rates.

6. **Trade and Other Receivables**

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade receivables - net of allowance for expected credit losses	**₱27,790,192**	₱27,062,648
Others:		
Non-trade receivable	**7,369,427**	8,814,083
Advances to suppliers	**945,962**	491,140
Interest receivable	**206,495**	225,374
	₱36,312,076	₱36,593,245

Trade and other receivables are noninterest-bearing and are generally on 10 - 30 days’ term.

Non-trade receivable relates mostly to claims from insurance, dividends and advances to partners in GMEC. The advances to partners were settled in 2025.

Advances to suppliers refer to noninterest-bearing advance payments made for acquisition of inventories and services which are offset against progress billings to be made by the suppliers.

7. Other Current Assets

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Restricted cash	**₱5,141,025**	₱6,098,865
Prepaid tax	**2,902,191**	2,886,357
Concession contract asset	**1,323,354**	1,352,797
Prepaid expenses	**1,171,290**	3,244,973
Advances to National Grid Corporation of the Philippines (NGCP)	**551,506**	551,506
Input VAT	**458,598**	758,353
Others	**105,447**	214,596
	₱11,653,411	₱15,107,447

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

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

Prepaid expenses mainly include prepayments for insurance.

8. **Investments and Advances**

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Acquisition cost:		
Balance at beginning of period	**₱57,432,661**	₱56,997,389
Additions during the period	**49,999,620**	442,212
Redemptions during the period	**—**	(6,940)
Balance at end of period	**107,432,281**	57,432,661
Accumulated equity in net earnings:		
Balance at beginning of period	**37,171,953**	34,478,491
Share in net earnings	**9,309,683**	15,693,423
Dividends	**(2,596,136)**	(12,999,961)
Balance at end of period	**43,885,500**	37,171,953
Share in net unrealized valuation gain on FVOCI investment of an associate	**110,748**	98,602
Share in actuarial gains on defined benefit plans of associates and joint ventures	**(49,486)**	30,835
Share in cumulative translation adjustments of associates and joint ventures	**1,015,554**	1,762,816
	1,076,816	1,892,253
	152,394,597	96,496,867
Less allowance for impairment losses	**568,125**	568,125
Investments at equity	**151,826,472**	95,928,742
Advances	**—**	1,450
	₱151,826,472	₱95,930,192

The Group's associates and joint ventures and the corresponding equity ownership as of June 30, 2025 and December 31, 2024 are as follows:

		Percentage of ownership	
	Nature of Business	**June 30, 2025 (Unaudited)**	December 31, 2024 (Audited)
Manila-Oslo Renewable Enterprise, Inc. (MORE)[1]	Holding company	**83.33**	83.33
GNPower Dinginin Ltd. Co. (GNPD)[1,2,3]	Power generation	**70.00**	70.00
AA Thermal, Inc. (ATI)[1, 2]	Holding company	**60.00**	60.00
Hijos de F. Escaño, Inc. (Hijos)	Holding company	**46.73**	46.73
Mazzaraty Energy Corporation (MEC)	Retail electricity supplier	**44.87**	44.87
Sinag Naraw Power, Inc.*	Power generation	**44.00**	44.00
San Fernando Electric Light & Power Co., Inc. (SFELAPCO)	Power distribution	**43.78**	43.78
Pampanga Energy Ventures, Inc. (PEVI)	Holding company	**42.84**	42.84
Abaqa International Pte. Ltd. (AIPL)	Trading company	**40.00**	40.00
Chromite Gas Holdings, Inc. (CGHI)	Holding company	**40.00**	—
AEV Aviation, Inc. (AAI)	Service	**26.69**	26.69

	Nature of Business	Percentage of ownership	
		June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cebu Energy Development Corporation (CEDC)	Power generation	**26.40**	26.40
Redondo Peninsula Energy, Inc. (RPEI)*	Power generation	**25.00**	25.00
Southern Philippines Power Corporation (SPPC)	Power generation	**20.00**	20.00
Western Mindanao Power Corporation (WMPC)	Power generation	**20.00**	20.00
Aboitiz Upgrade Solar, Inc.[1,*]	Power generation	**50.00**	50.00
Sinag Naraw Power, Inc. (SNPI)*	Power generation	**44.00**	44.00
4 Barracuda Energy Corporation (4BEC)[1,*]	Power generation	**41.00**	41.00
Lihangin Wind Energy Corporation (LWEC)[4,*]	Power generation	**35.00**	35.00
Aura Energy Holdings Inc. (AEHI)[1,*]	Power generation	**50.00**	50.00
Therma Cebu Energy Inc. (TCEI)*	Power generation	**50.00**	50.00

[1] *Joint venture.*

[2] *Economic interest*

[3] *Includes 30% indirect ownership through AA Thermal.*

[4] *Includes 20% direct ownership through ARI and 30% indirect ownership through AEHI.*

** No commercial operations as of June 30, 2025*

The principal place of business and country of incorporation of the Group's associates and joint venture are in the Philippines except AIPL. Associates and joint ventures are the same as those presented as of December 31, 2024 audited financial statements.

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
CGHI	**₱52,403,268**	₱—
GNPD[2]	**42,996,151**	41,240,477
ATI[1]	**41,291,682**	39,405,678
MORE	**8,679,317**	9,577,390
CEDC	**3,809,848**	3,184,468
PEVI	**799,271**	750,203
SFELAPCO	**616,768**	576,221
Hijos	**330,880**	333,243
4BEC	**166,595**	167,395
AEHI	**163,396**	166,765
WMPC	**135,629**	130,104
RPEI	**90,306**	89,482
SPPC	**76,310**	76,626
LWEC	**56,564**	66,850
Others	**210,487**	163,840
	₱151,826,472	₱95,928,742

[1] *Includes indirect interest from GNPD.*

[2] *Direct interest only.*

In March 2024, the Company, through Therma NatGas Power, Inc. (a wholly-owned subsidiary of Therma Power, Inc.), entered into an Investment Agreement with Meralco PowerGen Corporation (MGen) to acquire 60% and 40% interests, respectively, in Chromite Gas Holdings, Inc. (CGHI). CGHI intends to acquire a 67% equity interest in each of the 1,278 MW Ilijan power plant, the 1,320 MW combined cycle power facility, currently under construction, and the LNG import and regasification terminal owned by Linseed Field Corporation (LFC). San Miguel Global Power Corporation (SMGP) will retain a 33% stake in these power plants and gain a corresponding interest in LFC.

On December 23, 2024, the transaction was approved by the Philippine Competition Commission.

On January 27, 2025, the parties have completed the transaction for a total acquisition price of ₱46.74 billion (USD 796.4 million). Additional costs include contingent consideration amounting to ₱2.99 billion and other acquisition costs incurred amounting to ₱255.6 million (USD 4.0 million) (see Note 12).

As of June 30, 2025, the Group is still in the process of completing the determination of fair values of the underlying net assets of CGHI. As allowed by PFRS Accounting Standards, the Group has provisionally assessed the fair values of the assets acquired and liabilities assumed. The provisional fair values will be finalized within one year from the acquisition date once relevant information has been obtained.

9. **Joint Operation**

		Percentage of Ownership	
Name of Joint Operation	Nature of Business	**June 30, 2025**	December 31, 2024
Pagbilao Energy Corporation (PEC)	Power generation	**50%**	50%

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

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

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

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

10. **Intangible Assets**

June 30, 2025

	Goodwill	Franchise	Service concession rights	Project development costs	Customer contracts	Software and licenses	Total
Cost:							
Balances at beginning of period	₱46,589,413	₱3,078,433	₱5,806,449	₱1,511,562	₱60,068	₱1,576,476	₱58,622,401
Additions	—	—	21,103	204,662	—	318,724	544,489
Transfers/Reclass	(18,256)	—	—	(434,631)	—	(2,994)	(455,881)
Exchange differences	(1,192,980)	—	9,520	—	—	—	(1,183,460)
Balances at end of period	45,378,177	3,078,433	5,837,072	1,281,593	60,068	1,892,206	57,527,549
Accumulated amortization:							
Balances at beginning of period	—	891,465	4,995,439	—	60,068	815,634	6,762,606
Transfers/Reclass	—	—	—	—	—	(2,618)	(2,618)
Amortization	—	38,480	156,244	—	—	113,894	308,618
Balances at end of period	—	929,945	5,151,683	—	60,068	926,910	7,068,606
Net book values	₱45,378,177	₱2,148,488	₱685,389	₱1,281,593	₱—	₱965,296	₱50,458,943

11. **Other Non-Current Assets**

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Input VAT	**₱4,128,362**	₱4,579,915
Concession contract asset, net of current portion	**6,908,349**	7,533,867
Prepaid taxes	**4,780,888**	4,655,192
Advances to suppliers and projects	**3,166,710**	1,544,247
Refundable deposits	**1,459,096**	1,405,212
Advances to NGCP - net of current portion	**565,752**	565,752
Investment properties	**394,902**	394,902
Prepaid expenses	**3,134,520**	3,333,053
Others	**1,606,029**	1,217,506
	₱26,144,608	₱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. These capital recovery fees are recognized at their discounted value in the consolidated financial statements using a prevailing market rate when SPI was acquired by the Company in June 2023.

Concession contract asset due not later than one year is presented as current asset in the consolidated balance sheets (see Note 7).

Prepaid expenses include prepaid rent that pertains to TLI's prepayment for PSALM Pagbilao Land Lease Agreement.

12. **Trade and Other Payables**

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade payables	**₱21,460,573**	₱20,834,329
Output VAT	**3,702,119**	3,277,272
Amounts due to suppliers and other third parties	**1,840,092**	2,088,808
Accrued expenses:		
Interest	**2,715,693**	3,166,997
Taxes and fees	**1,772,647**	1,987,803
Claims conversion costs	**186,385**	257,184
Insurance	**75,863**	44,253
Dividends payable (see Note 23)	**231,757**	190,938
Unearned revenues	**282,433**	282,230
Customers' deposit	**451,812**	453,107
Nontrade	**4,180,549**	2,293,208
Others	**3,557,151**	830,512
	₱40,457,074	₱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.

Amounts due to suppliers and other third parties include liabilities arising from the power plant construction.

Others include contingent liability related to the investment in CGHI (see Note 8), withholding taxes and other liabilities and are generally payable within 12 months from the balance sheet date.

13. **Short-term Loans**

		June 30, 2025 (Unaudited)	December 31, (Audited)
Peso loans - financial institutions - unsecured	5.10% - 6.87% in 2025 5.50% - 6.87% in 2024	**₱73,461,770**	₱23,705,000
Dollar loans - financial institutions - unsecured	5.50% in 2025 5.50% in 2024	**563,300**	1,330,435
		₱74,025,070	₱25,035,435

The Peso and Dollar loans are unsecured short-term notes payable obtained from financial institutions for working capital purposes. 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.

14. **Long-term Debts**

	2025 Interest Rate (Unaudited)	2024 Interest Rate (Audited)	**June 30, 2025 (Unaudited)**	December 31, 2024 (Audited)
Company:				
Bonds (see Note 15)	3.82% - 8.51%	3.82% - 8.51%	**₱43,300,000**	₱43,300,000
Financial institutions - unsecured	4.00% - 4.33%	4.00% - 4.33%	**10,750,000**	10,750,000
Subsidiaries:				
GMEC				
Financial institutions - unsecured	LIBOR + 1.7% - 4.85%	LIBOR + 1.7% - 4.85%	**26,122,232**	28,289,923
TMI				
Financial institutions - secured	4.54% - 7.68%	4.54% - 7.68%	**1,950,000**	2,112,500
HSAB				
Financial institutions - secured	4.92%	4.92%	**804,048**	862,985
TVI				
Financial institutions - secured	5.56% - 9.00%	5.56% - 9.00%	**23,679,251**	20,399,210
AESI				
Financial institutions - unsecured	4.87%	4.87%	**570,000**	576,000
TSI				
Financial institutions - secured	4.27%	4.27%	**14,840,368**	15,621,873
APRI				
Financial institutions - secured	4.91% - 6.67%	4.91% - 6.67%	**9,327,676**	9,319,784
Hedcor Bukidnon				
Financial institutions - secured	4.29% - 5.59%	4.29% - 5.59%	**6,550,725**	6,866,618
Hedcor Sibulan				
Fixed rate corporate notes - unsecured	5.21% - 5.42%	5.21% - 5.42%	**2,100,000**	2,100,000
HI				
Financial institution - secured	5.00%	5.00%	**1,126,609**	1,151,299
PVSinag				
Financial institution - secured	7.06% - 8.02%	7.06% - 8.02%	**9,240,793**	9,393,862
ARI				
Financial institution - unsecured	6.27% - 6.91%	6.65% - 6.91%	**19,788,235**	19,929,412
HTI				
Financial institution - secured	4.92%	4.92%	**547,289**	576,533
TLI				
Financial institution - unsecured	7.40%	7.40%	**34,000,000**	34,000,000
CEDI				
Financial institution - unsecured	—%	8.00%	**—**	107,195
STEAG				
Financial institution - secured	LIBOR + 1.50% - 5.00%	LIBOR + 1.50% - 5.00%	**1,667,364**	1,943,591
Joint operation (see Note 9)				
Financial institutions - secured	5.77% - 6.27%	5.77% - 6.27%	**7,282,876**	7,719,459
			213,647,466	215,020,244
Less deferred financing costs			**1,551,070**	1,300,978
			212,096,396	213,719,266
Less current portion - net of deferred			**24,278,547**	16,465,260
			₱187,817,849	₱197,254,006

In June 2025, TVI and APRI availed new loans for a total of ₱4.30 billion and ₱500.0 million, with interest rate of 7.5975% - 8.0927% and 6.2674%, respectively.

In March 2024, ARI and PV Sinag availed new loans for a total of ₱8.00 billion and ₱850.0 million, with interest rate of 6.65% (10 years) and 7.26% (13 years), respectively.

Loan covenants

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

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

15. **Debt Securities**

As of June 30, 2025, the Company registered and issued peso-denominated fixed-rate retail bonds totaling ₱43.3 billion under the following terms:

Maturity	Interest Rate (p.a.)	Amount
7-year bonds to mature on March 17, 2029	5.74%	₱7,000,000
7-year bonds to mature on December 2, 2028	5.03%	7,200,000
10-year bonds to mature on October 25, 2028	8.51%	2,500,000
10-year bonds to mature on July 3, 2027	5.34%	3,000,000
5-year bonds to mature on March 17, 2027	5.31%	3,000,000
7-year bonds to mature on October 14, 2026	5.28%	7,250,000
5-year bonds to mature on March 16, 2026	3.82%	8,000,000
4-year bonds to mature on December 2, 2025	4.00%	4,800,000
5-year bonds to mature on July 6, 2025	3.94%	550,000
		₱43,300,000

16. **Operating Expenses**

	For the periods ended June 30	
	2025	2024
Cost of generated power	**₱20,728,174**	₱25,962,779
Cost of purchased power	**35,015,093**	35,807,542
Depreciation and amortization	**6,419,319**	6,126,479
Operations and maintenance	**8,181,048**	7,310,996
General and administrative	**7,156,146**	6,196,630
	₱77,499,780	₱81,404,426

17. **Other Income (Expenses)**

	For the periods ended June 30	
	2025	2024
Surcharges	**₱289,932**	₱290,445
Rental income	**322,943**	119,669
Losses on disposal of property, plant and equipment	**(8,706)**	(135,793)
Non-utility operating income	**40,560**	34,840
Net foreign exchange gains (losses)	**(104,977)**	166,477
Others - net	**459,987**	1,929,089
	₱999,739	₱2,404,727

Included in "Net foreign exchange gain (loss)" are the net gains and losses relating to currency forward transactions.

"Others" include insurance claims, tax credits, contract for difference charges, TSI sale of coal to NGCP and other non-recurring items like sale of scrap and sludge oil.

18. **Earnings Per Common Share**

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

	For the periods ended June 30	
	2025	2024
a. Net income attributable to equity holders of the parent	**₱12,666,608**	₱17,127,669
b. Weighted average number of outstanding shares	**7,205,854,307**	7,205,854,307
Basic and diluted earnings per share (a/b)	**₱1.76**	₱2.38

There are no dilutive potential common shares for the six-month periods ended June 30, 2025 and 2024.

19. Operating Segment Information

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

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

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

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

January - June 2025

	Power Generation	Power Distribution	Parent and Others	Total
Revenue from power supply contracts	**₱26,361,639**	**₱—**	**₱—**	**₱26,361,639**
Revenue from distribution services	**—**	**28,446,046**	**—**	**28,446,046**
Revenue from retail electricity sales	**—**	**—**	**20,439,791**	**20,439,791**
Revenue from non-power supply contracts	**16,270,244**	**—**	**—**	**16,270,244**
Revenue from technical and management services	**—**	**—**	**278,703**	**278,703**
	₱42,631,883	**₱28,446,046**	**₱20,718,494**	**₱91,796,423**

January - June 2024

	Power Generation	Power Distribution	Parent and Others	Total
Revenue from power supply contracts	₱27,534,857	₱—	₱—	₱27,534,857
Revenue from distribution services	—	28,172,505	—	28,172,505
Revenue from retail electricity sales	—	—	22,581,239	22,581,239
Revenue from non-power supply contracts	21,587,976	—	—	21,587,976
Revenue from technical and management services	—	—	362,878	362,878
	₱49,122,833	₱28,172,505	₱22,944,117	₱100,239,455

The revenue from contracts with customers is consistent with the revenue with external customers presented in the 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 Accounting Standards. The presentation and classification of segment revenue and segment expenses are consistent with the unaudited interim condensed consolidated statements of income. Interest expense and other financing costs, depreciation and amortization expense and income taxes are managed on a per segment basis.

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

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 are summarized as follows:

January - June 2025

	Power Generation	Power Distribution	Parent Company/ Others	Eliminations and Adjustments	Consolidated
REVENUE					
External	**₱42,631,883**	**₱28,446,046**	**₱20,718,494**	**₱—**	**₱91,796,423**
Inter-segment	**11,934,121**	**792,824**	**732,944**	**(13,459,889)**	**—**
Total Revenue	**₱54,566,004**	**₱29,238,870**	**₱21,451,438**	**(₱13,459,889)**	**₱91,796,423**
Segment Results	**₱11,250,661**	**₱3,592,024**	**(₱546,042)**	**₱—**	**₱14,296,643**
Unallocated corporate income (loss) - net	**377,570**	**713,981**	**(91,812)**	**—**	**999,739**
INCOME FROM OPERATIONS	**11,628,231**	**4,306,005**	**(637,854)**	**—**	**15,296,382**
Interest expense	**(4,792,578)**	**(672,152)**	**(3,227,079)**	**—**	**(8,691,809)**
Interest income	**329,265**	**18,196**	**669,345**	**—**	**1,016,806**
Share in net earnings of associates and joint ventures	**9,081,356**	**216,470**	**16,437,705**	**(16,425,848)**	**9,309,683**
Provision for income tax	**(1,799,471)**	**(830,535)**	**(259,879)**	**—**	**(2,889,885)**
NET INCOME	**₱14,446,803**	**₱3,037,984**	**₱12,982,238**	**(₱16,425,848)**	**₱14,041,177**
Depreciation and Amortization	**₱5,398,433**	**₱837,016**	**₱111,361**	**₱72,509**	**₱6,419,319**
OTHER INFORMATION					
Investments	**₱149,482,511**	**₱1,439,051**	**₱304,809,824**	**(₱303,904,914)**	**₱151,826,472**
Segment Assets	**₱389,511,248**	**₱48,167,384**	**₱359,683,268**	**(₱237,433,465)**	**₱559,928,435**
Segment Liabilities	**₱175,458,720**	**₱40,722,080**	**₱142,617,686**	**(₱4,041,104)**	**₱354,757,382**

January - June 2024

	Power Generation	Power Distribution	Parent Company/ Others	Eliminations and Adjustments	Consolidated
REVENUE					
External	₱49,122,833	₱28,172,505	₱22,944,117	₱—	₱100,239,455
Inter-segment	13,084,848	660,137	809,496	(14,554,481)	—
Total Revenue	₱62,207,681	₱28,832,642	₱23,753,613	(₱14,554,481)	₱100,239,455
Segment Results	₱14,745,190	₱3,623,348	₱466,491	₱—	₱18,835,029
Unallocated corporate income (loss) - net	1,608,593	831,560	(35,426)	—	2,404,727
INCOME FROM OPERATIONS	16,353,783	4,454,908	431,065	—	21,239,756
Interest expense	(4,651,230)	(586,558)	(1,958,813)	—	(7,196,601)
Interest income	425,275	2,256	350,109	—	777,640
Share in net earnings of associates and joint ventures	7,877,461	30,794	19,331,485	(19,297,030)	7,942,710
Provision for income tax	(2,779,152)	(880,467)	(379,504)	—	(4,039,123)
NET INCOME	₱17,226,137	₱3,020,933	₱17,774,342	(₱19,297,030)	₱18,724,382
Depreciation and Amortization	₱5,230,391	₱759,287	₱64,292	₱72,509	₱6,126,479
OTHER INFORMATION (December 31, 2024)					
Investments	**₱93,704,224**	**₱1,357,892**	**₱257,342,753**	**(₱256,476,127)**	**₱95,928,742**
Segment Assets	**₱326,511,326**	**₱48,737,597**	**₱331,253,486**	**(₱188,886,342)**	**₱517,616,067**
Segment Liabilities	**₱169,650,972**	**₱37,657,868**	**₱96,941,576**	**(₱2,531,031)**	**₱301,719,385**

20. **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 and interest rate swap agreement to hedge its floating rate exposure on its foreign currency-denominated 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.

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.

Liquidity risk

Liquidity risk is the risk of not meeting its obligations as they become due because of inability to liquidate assets or obtain adequate funding. The Group manages liquidity risk by effectively managing its working capital, capital expenditure and cash flows, making use of a centralized treasury function to manage pooled business unit cash investments and borrowing requirements.

In managing its long-term financial requirements, the Group's policy is that not more than 25% of long-term borrowings should mature in any twelve-month period. 10.77% of the Group's debt will mature in less than one year as of June 30, 2025 (December 31, 2024: 7.31%). For its short-term funding, the Group's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

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

The following table summarizes the maturity profile of the Group's financial liabilities as of June 30, 2025 based on contractual undiscounted principal payments:

	Total carrying value	Contractual undiscounted payments				
		Total	On demand	<1 year	1 to 5 years	> 5 years
Short-term loans	₱74,025,070	₱74,025,070	₱—	₱74,025,070	₱—	₱—
Trade and other payables	34,979,069	34,979,069	4,054,447	30,924,622		—
Long-term debts	212,096,396	232,855,768	—	28,620,453	149,689,400	54,545,915
Customers' deposits	10,019,318	10,019,318	—	—	601,821	9,417,497
Lease liabilities	4,965,052	9,037,268	—	221,192	1,660,366	7,155,710
Long-term obligation on PDS	102,899	80,000	—	40,000	40,000	—
Derivative liabilities	177,531	177,531	—	176,976	555	—
	₱336,365,335	₱361,174,02	₱4,054,447	₱134,008,31	₱151,992,14	₱71,119,122

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

Interest rate risk
The Group's exposure to market risk for changes in interest rates relates primarily to its long-term debt obligations. To manage this risk, the Group determines the mix of its debt portfolio as a function of the level of current interest rates, the required tenor of the loan, and the general use of the proceeds of its various fund raising activities. As of June 30, 2025, 6% of the Group's long-term

debt had annual floating interest rates ranging from 1.5% to 7.68%, and 94% have annual fixed interest rates ranging from 4.27% to 9.00%. 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 9.00%.

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

As of June 30, 2025

	<1 year	**1-5 years**	**>5 years**	**Total**
Floating rate - long-term debt	**₱1,687,573**	**₱11,620,033**	**₱—**	**₱13,307,606**

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 non-interest-bearing and are therefore not subject to interest rate risk. The Group's derivative assets and liabilities are subject to fair value interest rate risk.

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

	For the periods ended June 30	
	2025	2024
Short-term loans and long-term debt	**₱8,358,371**	₱6,836,942
Lease liabilities (see Note 22)	**160,449**	115,388
Customers' deposits	**1,978**	666
Other long-term obligations	**171,011**	243,605
	₱8,691,809	₱7,196,601

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

	Increase (decrease) in basis points	Effect on income before tax
June 2025	**200**	**(₱266,152)**
	(100)	**133,076**
June 2024	100	(₱157,477)
	(50)	78,739

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

Foreign exchange risk

The foreign exchange risk of the Group pertains significantly to its foreign currency denominated obligations. To manage its foreign exchange risk, stabilize cash flows and improve investment and cash flow planning, the Group enters into foreign currency forward contracts aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on financial performance and cash flows. Foreign currency denominated borrowings account for 9.68% and 14.11% of total consolidated borrowings as of June 30, 2025 and December 31, 2024, respectively.

Presented below are the Group's foreign currency denominated financial assets and liabilities as of June 30, 2025 and December 31, 2024, translated to Philippine Peso:

	June 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	US Dollar	**Philippine Peso equivalent[1]**	US Dollar	Philippine Peso
Financial assets:				
Cash and cash equivalents	**$79,493**	**₱4,477,841**	$214,008	₱12,379,293
Trade and other receivables	**15,007**	**845,351**	2,443	141,315
Advances to associates	**3,382**	**190,508**	21	1,215
Total financial assets	**97,882**	**5,513,700**	216,472	12,521,823
Financial liabilities:				
Trade and other payables	**7,777**	**438,078**	3,753	217,092
Total financial liabilities	**7,777**	**438,078**	3,753	217,092
Total net financial assets (liabilities)	**$90,105**	**₱5,075,622**	$212,719	₱12,304,731

[1]$1 = 56.33

[2]$1 = 57.85

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rates, with all other variables held constant, of the Group's income before tax for the periods ended June 30:

	Increase (decrease) in US Dollar	Effect on income before tax
2025		
US Dollar denominated accounts	**US Dollar weakens by 5%**	**₱253,781**
US Dollar denominated accounts	**US Dollar strengthens by 5%**	**(253,781)**
2024		
US Dollar denominated accounts	US Dollar weakens by 5%	₱615,237
US Dollar denominated accounts	US Dollar strengthens 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.

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

Credit risk

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

Concentration Risk

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Power distribution:		
Industrial	**₱10,985,676**	₱11,415,839
Residential	**3,230,654**	3,363,528
Commercial	**1,031,612**	1,135,639
City street lighting	**25,509**	36,456
Power generation:		
Power supply contracts	**12,490,269**	9,990,081
Non-power supply contracts	**3,256,178**	4,633,995
	₱31,019,897	₱30,575,538

<u>Capital Management</u>

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

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

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

Gearing ratios of the Group are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Short-term loans	**₱74,025,070**	₱25,035,435
Long-term debt	**212,096,396**	213,719,266
Lease liabilities	**4,965,052**	4,445,893
Cash and cash equivalents	**(46,877,919)**	(56,759,297)
Restricted cash	**(5,141,025)**	(6,098,865)
Net debt (a)	**239,067,574**	180,342,432
Equity	**205,171,053**	215,896,682
Equity and net debt (b)	**444,238,627**	396,239,114
Gearing ratio (a/b)	**53.82%**	45.51%

No changes were made in the objectives, policies or processes during the period ended June 30, 2025.

21. **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.

	June 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Asset				
Concession contract asset	**₱8,231,703**	**₱9,541,462**	₱8,886,664	₱10,167,633
Financial Liabilities				
Lease liabilities	**₱4,965,052**	**₱7,063,697**	₱4,445,893	₱6,048,230
Long-term debt - fixed rate	**198,788,790**	**193,160,582**	199,192,972	197,985,928
Long-term obligation on power distribution system	**102,899**	**119,261**	97,238	119,261
	₱203,856,741	**₱200,343,540**	₱203,736,103	₱204,153,419

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.

Concession contract asset. The fair value of concession contract asset is based on cash flows discounted using prevailing rate.

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

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

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

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

Customers' deposits. The fair value of bill deposits approximates the carrying values as these deposits earn interest at the prevailing market interest rate in accordance with regulatory guidelines. The timing and related amounts of future cash flows relating to transformer and lines and poles deposits cannot be reasonably and reliably estimated for purposes of establishing their fair values using an alternative valuation technique.

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

Derivative financial instruments. The fair value of forward contracts is calculated by reference to prevailing interest rate differential and spot exchange rate as of valuation date, taking into account its remaining term to maturity. The fair value of the interest rate swap and interest rate cap are determined by generally accepted valuation techniques with reference to observable market data such as interest rates.

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

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

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

The movements in fair value changes of all derivative instruments for the six-month period ended June 30, 2025 and for the year ended December 31, 2024 are as follows:

	2025	2024
	(Unaudited)	(Audited)
At beginning of period	**₱81,030**	(₱126,287)
Net changes in fair value of derivatives designated as cash flow hedges	**(272,582)**	207,317
Fair value of settled instruments	**16,546**	—
At end of period	**(₱175,006)**	₱81,030

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As of June 30, 2025, the Group held the following financial instruments that are measured and carried or disclosed at fair value:

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
Derivative assets	₱2,525	₱—	₱2,525	₱—
Concession contract asset	9,541,462	—	—	9,541,462
Derivative liabilities	177,531	—	177,531	—
Disclosed at fair value:				
Derivative liabilities	176,976	—	176,976	—
Lease liabilities	7,063,697	—	—	7,063,697
Long-term debt - fixed rate	193,160,582	—	—	193,160,582
Long-term obligation on PDS	119,261	—	—	119,261

During the six-month period ended June 30, 2025, there were no transfers between level 1 and level 2 fair value measurements and transfers into and out of level 3 fair value measurement.

22. **Leases**

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the six-month period ended June 30, 2025:

	Land	Building	Power Plant	Equipment and Others	Total	Lease liabilities
At beginning of the period	₱3,232,385	₱918,123	₱24,720,181	₱127,419	₱28,998,108	₱4,445,893
Additions	572,898	—	—	—	572,898	572,898
Amortization expense	(85,545)	(43,230)	(469,085)	(957)	(598,817)	—
Capitalized amortization	(12,303)	—	—	—	(12,303)	—
Interest expense	—	—	—	—	—	160,449
Capitalized interest	—	—	—	—	—	6,553
Payments	—	—	—	—	—	(154,627)
Others	(35,250)	(34,206)	—	(2,146)	(71,602)	(66,114)
At end of the period	₱3,672,185	₱840,687	₱24,251,096	₱124,316	₱28,888,284	₱4,965,052

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

	For periods ended June 30	
	2025	2024
Amortization expense of right-of-use assets	**₱598,817**	₱573,146
Interest expense on lease liabilities	**160,449**	115,388
Rent expense - short-term leases	**44,931**	39,899
	₱804,197	₱728,433

23. **Retained Earnings**

a. On March 6, 2025, the BOD approved the declaration of regular cash dividends of ₱2.35 per share (₱16.93 billion) to all stockholders of record as of March 21, 2025. These dividends were paid on March 28, 2025.

b. The balance of retained earnings includes the accumulated equity in net earnings of subsidiaries, associates and joint arrangements amounting to ₱145.54 billion and ₱138.10 billion as at June 30, 2025 and December 31, 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 arrangements.

24. **Disclosures**

1. <u>Seasonality of Interim Operations</u>

Operations of hydropower plants are generally affected by climatic seasonality. Seasonality and location have a direct effect on the level of precipitation. In Luzon where rainy and summer seasons are more pronounced, higher rainfall is normally experienced in the months of June to September. As such, the hydropower plants located in Luzon operate at their maximum capacity during this period. In contrast, the hydropower plants in Mindanao experience a well-distributed rainfall throughout the year, with a slightly better precipitation during the months of December to April. This precipitation seasonality greatly affects subsidiary companies HI, HSI, HTI, Hedcor Sabangan and LHC, which operate 'run-of-river' hydropower plants since these plants do not have any means to impound water.

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

2. <u>Wholesale Electricity Spot Market Price</u>

During the six months ended June 30, 2025, the electricity spot market experienced significant price fluctuations compared to the same period in the prior year. Spot prices decreased by approximately 34% or ₱1.95 per kilowatt hour. These changes in market prices materially affected the Group's operating results for the period, contributing to lower revenues and operating margins compared to the same period in 2024.

3. <u>Authority to Offer and Issue Peso-Denominated Fixed-Rate Retail Bonds</u>

On February 25, 2025, the BOD approved, among others, the filing of a registration statement under the shelf registration program of the SEC for peso-denominated fixed-rate retail bonds in the aggregate principal amount of ₱100 billion (the "Retail Bonds"), which will, from time to time and subject to market conditions, be issued in tranches. The BOD also approved the issuance of the first tranche of the Retail Bonds, consisting of up to ₱20,000,000,000, with oversubscription option of up to ₱10,000,000,000.

On April 29, 2025, the Company filed with the SEC a registration statement under the SEC's shelf registration program for its fixed-rate retail bonds. On June 25, 2025, the Company received SEC's Order of Registration and Certificate of Permit to Offer Securities for Sale. On July 14, 2025, the Philippine Dealing and Exchange Corporation approved the listing of the first tranche of fixed-rate retail bonds amounting to ₱30.0 billion.

4. Acquisition of Additional CEDI Interest

In January 2025, the Company acquired the remaining 40% non-controlling interest in CEDI from Mainstream Renewable Power (MRP), resulting 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 ₱88.050 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 ₱88.050 million.

5. **Caliraya-Botocan-Kalayaan Hydroelectric Power Plant Complex**

On July 4, 2025, the Thunder Consortium consisting of ARI, Electric Power Development Co., Ltd. (or 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. On July 18, 2025, the Consortium received the Notice of Award as the winning bidder for the project.

6. Property, Plant and Equipment

During the six-month period ended June 30, 2025, the Group's additions to property, plant and equipment amounted to ₱8.72 billion mainly coming from Power Plant Equipment and Steam Field Assets and Construction-in-Progress subcategory of property, plant and equipment.

7. Dividends to Non-controlling Interests

The Group's material partly-owned subsidiaries, VECO and SPI paid cash dividends amounting to ₱1.45 billion and ₱1.86 billion to non-controlling interests during the six-month periods ended June 30, 2025 and 2024, respectively. In 2025, GMEC also declared dividends to non-controlling interests amounting to ₱2.71 billion which was offset against GMEC's receivables from partners.

8. Contingencies

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

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

SCHEDULE A – RELEVANT FINANCIAL RATIOS

	Formula	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
LIQUIDITY RATIOS			
Current ratio	Current assets / Current liabilities	**0.76**	1.56
Acid test ratio	Cash + Marketable securities + Accounts receivable + Other liquid assets / Current liabilities	**0.59**	1.19
SOLVENCY RATIOS			
Debt to equity ratio	Total liabilities / Total equity	**1.73**	1.40
Asset to equity ratio	Total assets / Total equity	**2.73**	2.40
Net debt to equity ratio	Debt - Cash & cash equivalents / Total equity	**1.17**	0.84
Gearing ratio	Debt - Cash & cash equivalents / Total equity + (Debt - Cash & cash equivalents)	**53.82%**	45.51%
Interest coverage ratio	EBIT / Interest expense	**n.a**	4.64
PROFITABILITY RATIOS			
Operating margin	Operating profit / Total revenues	**n.a**	21.00%
Return on equity	Net income after tax / Total equity	**n.a**	20.00%

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

SCHEDULE B – ACCOUNTS RECEIVABLE AGING

1) Aging of Receivables

As of June 30, 2025

(Amounts in thousands PhP)

	30 Days	60 Days	90 Days	Over 90 Days	Total
Trade receivables:					
Power Distribution Customers	4,130,250	1,088,329	133,713	1,760,711	7,113,003
Power Generation Customers	10,443,471	863,488	277,849	5,663,428	17,248,236
Management & Other Services Customers	5,245,020	48,089	50,944	1,314,605	6,658,658
	19,818,741	1,999,906	462,506	8,738,744	31,019,897
Less : Allowance for impairment losses				3,229,705	3,229,705
Net trade Receivables	19,818,741	1,999,906	462,506	5,509,039	27,790,192
Non-trade receivables	8,488,667	28	46	33,143	8,521,884
Grand Total	**28,307,408**	**1,999,934**	**462,552**	**5,542,182**	**36,312,076**

2) Accounts Receivable Description

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

3) Normal Operating Cycle

Power Subsidiaries

- Distribution – 60 days
- Generation – 65 days