A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, BUT HAS NOT YET BECOME EFFECTIVE. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY THE SAME BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT IS RENDERED EFFECTIVE AND THE PERMIT TO OFFER SECURITIES FOR SALE HAS BEEN ISSUED. THIS PRELIMINARY PROSPECTUS IS SUBJECT TO CHANGE/COMPLETION AND SHALL NOT CONSTITUTE AN OFFER TO SELL OR BE CONSIDERED A SOLICITATION OF AN OFFER TO BUY.

AboitizPower

Aboitiz Power Corporation
Shelf Registration in the Philippines of
a Debt Securities Program in the aggregate principal amount of
up to ₱100,000,000,000.00
to be Offered in One or Several Tranches

First Tranche: Up to ₱20,000,000,000.00 Fixed Rate Bonds
with an Oversubscription Option of up to ₱10,000,000,000.00

Series A: [·]% p.a. 2-year bonds due 2027
Series B: [·]% p.a. 5-year bonds due 2030
Series C: [·]% p.a.10-year bonds due 2035

Offer Price: 100% of Face Value
Intended to be listed and traded on the Philippine Dealing & Exchange Corp.

Joint Issue Managers[1]

BDO Capital | First Metro Investment Corporation (Metrobank Group) | UnionBank

Joint Lead Underwriters, and Joint Bookrunners

BDO Capital | First Metro Investment Corporation (Metrobank Group) | UnionBank

Chinabank Capital | LANDBANK | PNB Capital | Security Bank Capital (A Subsidiary of Security Bank)

The date of this Preliminary Prospectus is [•], 2025.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), BUT HAS NOT YET BEEN DECLARED EFFECTIVE. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY THE SAME BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE RECEIVED PRIOR TO THE TIME UNTIL THE REGISTRATION STATEMENT IS RENDERED EFFECTIVE AND THE PERMIT TO OFFER SECURITIES FOR SALE HAS BEEN ISSUED, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO THE NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVITY OF THE REGISTRATION STATEMENT AND THE ISSUANCE OF THE PERMIT TO OFFER SECURITIES FOR SALE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR BE CONSIDERED A SOLICITATION OF AN OFFER TO BUY. THE SEC HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SEC.

[1] Union Bank of the Philippines, one of the Joint Issue Managers and one of the Joint Lead Underwriters and Bookrunners, is an affiliate of the Issuer. As of March 31, 2025, Aboitiz Equity Ventures, Inc. owns 53.09% and 49.99% of the outstanding common shares of the Issuer and Union Bank.

ABOITIZ POWER CORPORATION
32nd STREET, BONIFACIO GLOBAL CITY
1634 TAGUIG CITY, METRO MANILA, PHILIPPINES
TELEPHONE NUMBER: (632) 8886-2800

This Prospectus relates to the shelf registration by Aboitiz Power Corporation ("**AboitizPower**", the "**Issuer**", or the "**Company**") of its debt securities program in the aggregate principal amount of up to ₱100,000,000,000.00 (the "**2025 Debt Securities Program**") to be issued in one or more tranches (each a "**Tranche**"), and the offer of fixed-rate bonds in the principal amount of up to ₱20,000,000,000.00 (the "**Base Offer**"), with an oversubscription option of up to ₱10,000,000,000.00 (the "**Oversubscription Option**", together with the Base Offer, the "**Offer**", and the bonds in relation thereto, the "**First Tranche Bonds**") as the first Tranche of the Debt Security Program.

The Debt Securities Program was authorized by a resolution of the Board of Directors of the Company (the "**Board**") during a meeting held on February 25, 2025, at which meeting a quorum was present and acting throughout. A registration statement covering the Debt Securities Program was filed by the Company on April 30, 2025 and was rendered effective by the SEC under SEC Order No. [·], Series of [·].

For succeeding Tranches, the specific terms of the Debt Securities for each Tranche will be determined by the Company considering the prevailing market conditions and shall be provided in a supplement to be circulated at the time of the offer of the relevant tranche (each an "**Offer Supplement**") along with this Prospectus. The relevant Offer Supplement will contain the final terms for such Tranche, and must be read in conjunction with this Prospectus and other Bond Agreements. Full information on the Issuer and such offer of the Debt Securities is only available through this Prospectus, the relevant Offer Supplement, and the other Bond Agreements.

The First Tranche Bonds will be issued on [·] 2025 (the "**Issue Date**"), in up to three (3) series at the discretion of the Issuer. The Series A Bonds shall have a term of two (2) years from the Issue Date with fixed interest rate equivalent to [·]% p.a. ("**Series A Bonds**"). The Series B Bonds shall have a term of five (5) years from the Issue Date with fixed interest rate equivalent to [·]% p.a. ("**Series B Bonds**"). The Series C Bonds shall have a term of ten (10) years from the Issue Date with fixed interest rate equivalent to [·]% p.a. ("**Series C Bonds**"). AboitizPower reserves the right to allocate the First Tranche Bonds to any or all of the Series A Bonds, Series B Bonds, and Series C Bonds based on the bookbuilding process, and may opt to allocate the entire First Tranche Bonds in just one (1) or two (2) series.

Prior to the respective Maturity Dates of the Series B Bonds and Series C Bonds, the Issuer shall have the right, but not the obligation, granted to the Issuer under the Terms and Conditions, to redeem in whole (and not in part) the outstanding Series B Bonds and Series C Bonds on any Early Redemption Date, or the immediately succeeding Banking Day if such date is not a Banking Day, without any adjustment in the amount of interest as originally computed (the "**Early Redemption Date**", see "*Description of the Offer*" – "*Early Redemption Option*" on page [·] of the Prospectus).

Interest on the First Tranche Bonds shall be payable quarterly in arrear on [·], [·], [·], and [·] of each year while such Bonds are outstanding, or the subsequent Banking Day without adjustment in the amount of interest as if such Interest Payment Date is not a Banking Day; provided that if the Issue Date is set at a date other than [·], then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every three (3) months following the actual Issue Date (each an "**Interest Payment Date**"). The last Interest Payment Date of the First Tranche Bonds shall fall on the relevant Maturity Date while they are outstanding (see "Description of the Offer" – *"Interest"* on page [·] of this Prospectus).

If the Oversubscription Option is partly exercised or not exercised at all during the Offer Period (as defined below), the First Tranche Bonds under the Oversubscription Option that will not be taken up or exercised during the Offer Period will remain under shelf registration and may be issued in tranches within three (3) years from the date of the effectivity of the registration statement, subject to any extension as may be granted by the SEC (the "**Shelf Period**").

The First Tranche Bonds shall be redeemed at par (or 100% of face value) on the relevant Maturity Date, unless the Company exercises its Early Redemption Option in accordance with the conditions therefor (see "Description of the Offer" – *"Redemption and Purchase"* on page [·] of this Prospectus).

Upon issuance, the First Tranche Bonds shall constitute the direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of the Issuer and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by law, (ii) any obligation incurred by the Issuer pursuant to Section [·] of the Trust Agreement or as may be allowed by the Trust Agreement, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of the Issue Date. The First Tranche Bonds shall effectively be subordinated in right of payment to, among others, all of AboitizPower's secured debts to the extent of the value of the assets securing such debt and all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines, unless the Issuer procures a waiver of the preference created by such notarization or equally and ratably extend such preference to the Bonds (see "Description of the Offer" – *"Ranking"* on page [·] of this Prospectus).

Each Tranche of the Bonds will be rated by Philippine Rating Services Corporation ("**PhilRatings**"). The First Tranche Bonds have been rated PRS Aaa with a Stable Outlook on April 29, 2025.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization.

The First Tranche Bonds are offered to the public at face value through the Joint Issue Managers and the Joint Lead Underwriters, and Joint Bookrunners named below with the Philippine Depository & Trust Corp. ("PDTC") as the Registrar of the First Tranche Bonds. The First Tranche Bonds shall be issued in minimum denominations of ₱50,000.00 each, and in integral multiples of ₱10,000.00 thereafter. The First Tranche Bonds shall be traded in denominations of ₱10,000.00 in the secondary market.

AboitizPower intends to list the First Tranche Bonds on a securities exchange licensed with the SEC and has initiated discussions with the Philippine Dealing & Exchange Corp. ("**PDEx**") for this purpose. However, there is no assurance that such a listing will actually be achieved either before or after the Issue Date or whether such a listing will materially affect the liquidity of the First Tranche Bonds on the secondary market. Such listing would be subject to the Company's execution of a listing agreement with PDEx that may require the Company to make certain disclosures, undertakings and payments on an ongoing basis.

AboitizPower expects to raise gross proceeds of up to ₱20,000,000,000.00 from the Base Offer, or up to ₱30,000,000,000.00 assuming the Oversubscription Option is fully exercised. The net proceeds from the Base Offer are estimated to be up to ₱[19,751,237,345.00], or up to ₱[29,636,609,345.00] assuming the Oversubscription Option is fully exercised, after deducting fees, commissions, and expenses relating to the issuance. Proceeds of the Offer shall be used 1) to refinance the Issuer's 2020 Series F Bonds in the aggregate amount of ₱550,000,000.00 and 2021 Series B Bonds in the aggregate amount of ₱4,800,000,000.00; 2) for the early redemption of the Issuer's 2018 Series C bonds in the aggregate amount of ₱2,500,000,000.00; and 3) to partially refinance the short-term loans related to Project Chromite which are discussed further in the section entitled *"Use of Proceeds"* on page [·] of this Prospectus. The Joint Issue Managers, Joint Lead Underwriters, and the Joint Bookrunners shall receive an aggregate fee of up to [0.375%] inclusive of gross receipts tax ("**GRT**") on the final aggregate nominal principal amount of the First Tranche Bonds issued, which is inclusive of underwriting fees and any selling commissions to be paid.

On April 30, 2025, AboitizPower filed the Registration Statement with the SEC, in connection with the offer and sale to the public of the Bonds under the Debt Securities Program, inclusive of the Offer and any amount remaining if the Oversubscription Option is not fully or partially exercised. The SEC is expected to issue an order rendering the Registration Statement effective, and a corresponding permit to offer securities for sale covering the Offer.

After the close of the Offer and within three (3) years following the date on which the Debt Securities Program is rendered effective, the Company may, at its sole discretion, offer any or all of the remaining balance of the aggregate principal amount of Bonds covered by the Debt Securities Program, in one or more subsequent tranches under Rule 8.1.2 of the Implementing Rules and Regulations of the SRC.

However, there can be no assurance in respect of: (i) whether AboitizPower will issue such Bonds at all; (ii) the size or timing of any individual issuance or the total issuance of such Bonds; or (iii) the specific terms and conditions of any such issuance. Any decision by AboitizPower to offer such Bonds will depend on a number of factors at the relevant time, many of which are not within AboitizPower's control, including but not limited to: prevailing interest rates, the financing requirements of AboitizPower's business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

AboitizPower confirms that this Prospectus contains all material information relating to the Company, its Subsidiaries and Affiliates, as well as all material information on the issue, offer of, and the First Tranche Bonds as may be required by Applicable Law. No facts have been omitted that would make any statement in this Prospectus misleading in any material respect. AboitizPower confirms that it has made all reasonable inquiries with respect to any information, data and analysis provided to it by its advisors and consultants or which is otherwise publicly available for inclusion into this Prospectus. AboitizPower, however, has not independently verified any or all such publicly available information, data or analysis. All disclosures, reports, and filings of the Company and submitted to the SEC, the PSE, and the PDEx pursuant to the Revised Corporation Code, the Securities Regulation Code, and the Revised Disclosure Rules of the PSE and the Disclosure Rules of the PDEx ("**Company Disclosures**") are deemed as referenced in this Prospectus. Copies of the Company Disclosures may be viewed at the website of the Company at: https:// aboitizpower.com/investors/disclosures. Investors should review all information contained in this Prospectus, and the Company Disclosures.

The prices of securities can and do fluctuate. Any individual security may experience upward or downward movements,and may lose all or part of its value over time. The future performance of a security may vary from trends of its past performance, and there may be a significant difference between the buying price and the selling price of any security. As such, there is an inherent risk that losses may be incurred, rather than profit made, as a result of buying and selling securities. Thus, an investment in the First Tranche Bonds described in this Prospectus involves a certain degree of risk.

In deciding whether to invest in the First Tranche Bonds, a prospective purchaser of the First Tranche Bonds (each a "**Prospective Bondholder**") should, therefore, carefully consider all the information contained in this Prospectus, including but not limited to, several factors inherent to the Company, which includes significant competition, exposure to risks relating to the performance of the economies of other countries, and other risks relating to customer default (detailed in *"Risk Factors and Other Considerations"* section on page [·] of this Prospectus), and those risks relevant to the Philippines vis-à-vis risks inherent to the First Tranche Bonds.

Neither the delivery of this Prospectus nor any sale made pursuant to the Offer shall, under any circumstances, constitute a representation or create any implication that the information contained or referred to in this Prospectus is accurate, complete or correct as of any time subsequent to the date hereof or that there has been no change in the affairs of AboitizPower since the date of this Prospectus.

The contents of this Prospectus are not to be considered as definitive legal, business or tax advice. Each Prospective Bondholder receiving a copy of this Prospectus acknowledges that it/he/she has not relied on the Joint Issue Managers and Joint Lead Underwriters, and Joint Bookrunners or any person affiliated therewith in its/his/her investigation of the accuracy of any information found in this Prospectus or in its/his/her investment decision. Prospective Bondholders should consult their own counsel, accountants, or other advisors as to legal, tax, business, financial, and related aspects of the purchase of the First Tranche Bonds, among others. It bears emphasis that investing in the First Tranche Bonds involves certain risks. It is best to refer again to the section on *"Risk Factors and Other Considerations"* on page [·] of this Prospectus for a discussion of certain considerations with respect to an investment in the First Tranche Bonds.

No person nor group of persons has been authorized by AboitizPower, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners to give any information or to make any representation concerning AboitizPower or the First Tranche Bonds other than as contained in this Prospectus and, if given or made, any such other information or representation should not be relied upon as having been authorized by AboitizPower the Joint Issue Managers or Joint Lead Underwriters, and Joint Bookrunners.

AboitizPower is organized under the laws of the Philippines. Its principal office is at NAC Tower, 32nd Street, Bonifacio Global City, 1634 Taguig City, Metro Manila, Philippines with telephone number (+632) 8886-2800.

(Space below intentionally left blank. Signature page follows.)

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. THESE SECURITIES MAY NOT BE SOLD NOR OFFERS TO BUY THE SAME BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE RECEIVED PRIOR TO THE TIME THE REGISTRATION STATEMENT IS RENDERED EFFECTIVE AND THE PERMIT TO OFFER SECURITIES FOR SALE HAS BEEN ISSUED, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE AND THE ISSUANCE OF THE PERMIT TO OFFER SECURITIES FOR SALE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES.

ABOITIZ POWER CORPORATION
By:

DANEL C. ABOITIZ
President and Chief Executive Officer

SUBSCRIBED AND SWORN to before me this _____ 2025, affiant exhibiting to me his ___________ issued in ____ on 20__.

Doc. No. ________;
Page No. ________;
Book No. ________;
Series of 2025.

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FORWARD LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements" that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements can generally be identified by use of statements that include words or phrases such as AboitizPower or its management "believes", "expects", "anticipates", "intends", "plans", "foresees", or other words or phrases of similar import. Similarly, statements that describe AboitizPower's objectives, plans or goals are also forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations of AboitizPower include, among others:

- General economic and business conditions in the Philippines;
- The Company's management's expectations and estimates concerning its future financial performance;
- The Company's capital expenditure program and other liquidity and capital resources requirements;
- The Company's level of indebtedness;
- Increasing competition in the industry in which the Company, its Subsidiaries and its Affiliates operate;
- Industry risk, including price and regulatory risk in the areas in which the Company, its Subsidiaries, and its Affiliates operate;
- Changes in laws and regulations that apply to the segments or industry in which the Company, its Subsidiaries, and its Affiliates operate;
- Changes in political conditions in the Philippines;
- Inflation in the Philippines and any devaluation of the Philippine Peso; and
- The risk factors discussed in this Prospectus as well as other factors beyond the Company's control.

For further discussion of such risks, uncertainties and assumptions, see "*Risk Factors and Other Considerations*" on page [·] of this Prospectus. Prospective Bondholders are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements included herein are made only as of the date of this Prospectus, and AboitizPower undertakes no obligation to update such forward-looking statements publicly to reflect subsequent events or circumstances.

None of the Joint Issue Managers and Joint Lead Underwriters, and Joint Bookrunners take any responsibility for, or gives any representation, warranty or undertaking in relation to, any such forward-looking statement.

DEFINITION OF TERMS

2018 Series C Bonds	Fixed rate bonds issued by AboitizPower on October 12, 2018, with an interest rate of 8.5091% p.a. and a term of ten (10) years from the issue date.
2020 Series F Bonds	Fixed rate bonds issued by AboitizPower on July 6, 2020 with an interest rate of 3.935% p.a. and a term of five (5) years from the issue date.
2021 Series B Bonds	Fixed rate bonds issued by AboitizPower on December 2, 2021 with an interest rate of 3.9992% p.a. and a term of four (4) years from issue date.
AA Thermal	AA Thermal, Inc.
Aboitiz Group	ACO and the companies or entities in which ACO has a beneficial interest and over which ACO, directly or indirectly, exercises management control, including, without limitation, AEV, AboitizPower, and their respective Subsidiaries and Affiliates
AboitizPower Group or the Group	AboitizPower and its Subsidiaries
AboitizLand	Aboitiz Land, Inc.
AboitizPower	Aboitiz Power Corporation also referred to as the “Company”, the “Parent Company” or the “Issuer”
Abovant	Abovant Holdings, Inc.
AC Energy	AC Energy and Infrastructure Corporation
ACO	Aboitiz & Company, Inc.
AdventEnergy	Adventenergy, Inc.
AdventPower	AdventPower Inc. (formerly Aboitiz Energy Solutions, Inc.)
AEV	Aboitiz Equity Ventures Inc.
AEV Group	AEV and its Subsidiaries
Affiliate	With respect to any Person, any other Person directly or indirectly Controlled, or is under common Control by such Person
Aggregator	A person or entity engaged in consolidating electric power demand of end-users in the contestable market, for the purpose of purchasing and reselling electricity on a group basis
Ambuklao-Binga Hydroelectric Power Plant Complex	Refers to SNAP-Benguet’s 105-MW Ambuklao HEPP located in Bokod, Benguet and 140-MW Binga HEPP in Itogon, Benguet
Anti-Money Laundering Laws of the Philippines	RA No. 9160, as amended by RA No. 9194, RA No. 10167, and RA No. 11521, and BSP Circular Nos. 251, 253, 279, 527, 564, 608, 612, and 706, and all other amendatory and implementing law, regulation, jurisprudence, notice, or order of any Government Authority body relating thereto

Applicable Law	Any statute, law, regulation, ordinance, rule, judgment, order, decree, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Government Authority
Applicant	A Person who shall duly accomplish the Application to Purchase as defined herein and who shall deliver the same to the Joint Lead Underwriters and Joint Bookrunners in accordance with the Issue Management and Underwriting Agreement
Application to Purchase or the Application	The application form accomplished to subscribe to or purchase a specified amount of the Bonds, together with all other requirements set forth in such application form, substantially in the form attached as [Annex A] of the Issue Management and Underwriting Agreement
APX1	Aboitiz Power Distributed Energy, Inc.
APX2	Aboitiz Power Distributed Renewables Inc.
APREC	AP Renewable Energy Corporation
APRI	AP Renewables, Inc.
ARI	Aboitiz Renewables, Inc.
Articles of Incorporation	Document filed with the SEC by all corporations organized under the laws of the Philippines which contains the name of the corporation, its specific purpose, its principal place of business, its corporate term, details of incorporators and directors and the amounts of its authorized capital stock, amount of subscribed capital and paid-up capital stock
AS	Ancillary Services
Aseagas	Aseagas, Inc.
ASEAN	Association of Southeast Asian Nations
ASPA	Ancillary Services Purchase Agreement
ASPI	Aboitiz Solar Power, Inc.
Associate	An entity over which the Aboitiz Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not have control or joint control over those policies
Banking Day	Any day other than Saturday, Sunday and public non-working holidays on which the BSP's Philippine Payment and Settlement System (PhilPaSS), and the Philippine Clearing House Corporation (or, in the event of discontinuance of their respective functions, their respective replacements) are generally open for the transaction of business in Taguig City, Makati City, Pasig City, Pasay City and the City of Manila, Philippines; provided, that all other days unless otherwise specified herein shall mean calendar days which shall be construed as successive period of twenty-four (24) hours each.
Bakun AC Hydro Plant	The 74.8-MW Bakun run-of-river HEPP of LHC located in Ilocos Sur

BCM	Business Continuity Management
BCP	Refers to Business Continuity Plans which are plans formulated in order to address newly identified scenarios triggered by changing risks and issues that the Company faces.
BCQ	Bilateral Contract Quantity
BDO	BDO Unibank, Inc.
BDO Capital	BDO Capital & Investment Corporation
Balamban Enerzone	Balamban Enerzone Corporation
Binga Plant	The 140-MW Binga HEPP of SNAP-Benguet located in Itogon, Benguet
BIR	Bureau of Internal Revenue
bn	Billion
Board	The Board of Directors of AboitizPower, unless context clearly provides otherwise
Bondholder	A Person whose name appears, at the relevant time, in the Registry Book as the registered owner of the First Tranche Bond/s
Bond Agreements	The Trust Agreement, the Issue Management and Underwriting Agreement, the Registry and Paying Agency Agreement and other agreements relevant to the Offer
Bonds	Shall mean the unsecured fixed rate Peso-denominated retail bonds in the aggregate principal amount of up to ₱100,000,000,000.00 to be issued in one or more Tranches under the Debt Securities Program
BOT	Build-Operate-Transfer
BPI	Bank of the Philippine Islands
Brownfield	Power generation projects undertaken to expand, rehabilitate, and/or maintain existing assets
BSP	Bangko Sentral ng Pilipinas
Bunker C	A term used to designate the thickest of the residual fuels that is produced by blending oil remaining at the end of the oil-refining process with lighter oil
BCP	Refers to business continuity plans which are plans formulated in order to address newly identified scenarios triggered by changing risks and issues that the Company faces
Business Unit	A Subsidiary or an Affiliate of AboitizPower
By-laws	Document which contains the rules governing the internal management of a corporation
CA	Court of Appeals

CBA	Collective Bargaining Agreement
CEDC or Cebu Energy	Cebu Energy Development Corporation
CEDI	Cornerstone Energy Development Inc.
CFB	Circulating-Fluidized-Bed
CGHI	Chromite Gas Holdings, Inc.
Chinabank Capital	China Bank Capital Corporation
CIPDI	Cebu Industrial Park Developers, Inc.
Cleanergy	Cleanergy, Inc., formerly the Northern Mini Hydro Corporation
CLIMA Act	House Bill No. 9609 titled "An Act to Institute Policies and Systems to Address Climate Change, Establishing the Necessary Institutional Mechanisms for the Protection of Most Vulnerable Communities from Loss and Damage in the Country, Providing for Corporate and State Accountabilities and Reparations for Violation Thereof, and Other Purposes" filed on November 22, 2023 at the 19th Congress of the Philippines.
COC	Certificate of Compliance
Consolidated Equity	The total stockholders' equity of the Issuer as recognized and measured in its fiscal year-end audited consolidated financial statements and quarter-end unaudited consolidated financial statements, as may be applicable and available in accordance with Applicable Law, both in conformity with PFRS
Contestable Customer	An electricity end-user who has a choice of a supplier of electricity, as may be determined by the ERC in accordance with RA No. 9136 or the EPIRA
Control	The possession, directly, or indirectly, by a Person of the power to direct or cause the direction of the management and policies of another Person whether through the ownership of voting securities or otherwise; provided, however, that the direct or indirect ownership of over fifty percent (50.0%) of the voting capital stock, registered capital or other equity interest of a Person is deemed to constitute control of that Person, and "Controlling" and "Controlled" have corresponding meanings
COVID-19	Novel coronavirus disease 2019
Corporation	As defined in the Revised Corporation Code, an artificial being created by operation of law, having the right of succession and the powers, attributes and properties expressly authorized by law or incident to its existence
Cotabato Light	Cotabato Light and Power Company
CPCN	Certificate of Public Convenience and Necessity
CPPC	Cebu Private Power Corporation

CREATE Act	Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises Act
CSA	Corporate Sustainability Assessment
CSEE	Contract for the Supply of Electric Energy
CSP	Competitive Selection Process
CSR	Corporate Social Responsibility
CTD	Continuous Threat Detection
Current Ratio	The ratio of total current assets over total current liabilities of the Issuer
Davao Light	Davao Light & Power Company, Inc.
Debt Securities Program or the Program	The shelf registration of debt securities of the Issuer in the aggregate amount of up to ₱100,000,000,000.00, to be issued in one or several Tranches filed with the SEC on [·].
DENR	Department of Environment and Natural Resources
Distribution Companies or Distribution Utilities	Balamban Enerzone, Cotabato Light, Davao Light, Lima Enerzone, Malvar Enerzone, Mactan Enerzone, Subic Enerzone, SFELAPCO, and Visayan Electric
DOE	Department of Energy
DSOAR	Distribution Services and Open Access Rules
Early Redemption Price	The additional amount the Issuer will pay if it prepays the First Tranche Bonds and computed in accordance with the Terms and Conditions of the First Tranche Bonds.
EAUC	East Asia Utilities Corporation
EBITDA	Represents net income after adding provisions for income tax, depreciation, amortization, and net financial expense, and netting out extraordinary items such as foreign exchange differential and one-off gains or losses on disposal of major assets. EBITDA is not required by, and is not a measure of performance under, PFRS. Because there are various EBITDA calculation methods, the Group's presentation of these measures may not be comparable to similarly titled measures used by other companies
EERI	Excellent Energy Resources, Inc.
El Paso Philippines	El Paso Philippines Energy Company, Inc.
EMB	Environmental Management Bureau
Energy Transition Act	Senate Bill 157 titled "An Act Providing for a National Energy Policy and Framework for a Clean and Just Energy Transition in the Country, and Appropriating Funds Therefor" filed at the 19th Congress on July 2022.
EO	Executive Order

EPC	Engineering, Procurement, and Construction
EPIRA	RA No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001, as may be amended from time to time, and including the rules and regulations issued thereunder
EPPA	Energy Power Purchase Agreement
ERB	Energy Regulatory Board
ERC	Energy Regulatory Commission
ERC-IU or IU	Investigation Unit of the ERC
ESG	Environment, social, and governance
Events of Default	Those events defined as such under the Trust Agreement
Forex	Foreign exchange
First Metro	First Metro Investment Corporation
FIT	Feed-in-Tariff
FIT-All	FIT-Allowance
GCGI	Green Core Geothermal Incorporated
GDP	Gross Domestic Product
GEAP	Green Energy Auction Program
Generation Companies or Generation Group	Companies within the AboitizPower Group engaged in power generation; “Generation Company” may refer to any of these companies
Global Formosa	Global Formosa Power Holdings, Inc.
Global Power	Global Business Power Corporation
GMCP	GNPower Mariveles Coal Plant Ltd. Co.
GMEC	GNPower Mariveles Energy Center Ltd. Co. (formerly GMCP)
GNPD or GNPower Dinginin	GNPower Dinginin Ltd. Co.
GOCC	Government-owned-or-controlled corporations
Government Authority	The Republic of the Philippines, or any political subdivision or agency thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to the Government, and any national agency or body vested with jurisdiction or authority over any Person
Greenfield	Power generation projects that are developed from inception on previously undeveloped sites

Grid	As defined in the Implementing Rules and Regulations of the EPIRA, it is the high voltage backbone system of interconnected transmission lines, substations and related facilities located in each of Luzon, Visayas, and Mindanao or as may be otherwise determined by ERC in accordance with Section 45 of the EPIRA
GRT	Gross Receipts Tax under Section 116 of the Tax Code
GWh	Gigawatt-hour, or one million kilowatt-hours
HEDC	Hydro Electric Development Corporation
Hedcor	Hedcor, Inc.
Hedcor Bukidnon or HBI	Hedcor Bukidnon, Inc.
Hedcor Group	Luzon Hydro Corporation, Hedcor, Hedcor Bukidnon, Hedcor Sabangan, Hedcor Sibulan, and Hedcor Tudaya
Hedcor Sabangan	Hedcor Sabangan, Inc.
Hedcor Sibulan	Hedcor Sibulan, Inc.
Hedcor Tudaya	Hedcor Tudaya, Inc.
HEPP	Hydroelectric Power Plant
IAR	Industrial All Risks insurance
IEMOP	Independent Electricity Market Operation of the Philippines, Inc.
Indebtedness	(1) All indebtedness or other obligations of the Issuer for borrowed money or for the deferred purchase price of property or services and similar arrangements; (2) All indebtedness or other obligations of any other Person, the payment or collection of which is guaranteed by the Issuer (except by reason of endorsement for collection in the ordinary course of business) or in respect of which the Issuer is liable, contingently or otherwise, including without limitation, any agreement to purchase, to provide funds for payment, to supply funds to or otherwise invest in such Person; and (3) Capitalized lease obligations of the Issuer
IPO	Initial Public Offering
IPP	Independent Power Producer
IPIEC	Ilijan Primeline Industrial Estate Corp
IPPA	Independent Power Producer Administrator
IRR	Implementing Rules and Regulations
ISMS	Information Security Management System
ISO	International Organization for Standardization

Issue Management and Underwriting Agreement	Issue Management and Underwriting Agreement dated [•] entered into between the Company and the Joint Lead Underwriters and Joint Bookrunners in relation to the First Tranche Bonds
Issue Date	[·] 2025, or the immediately succeeding Banking Day if such Issue Date is not a Banking Day, or such later date as may be mutually determined by the Issuer and the Joint Lead Underwriters and Joint Bookrunners for the issuance of the First Tranche Bonds. In the event that the original Issue Date is moved to the succeeding Banking Day, the interest accruing for the first Interest Period shall accrue from (and including) such adjusted Issue Date, without adjustment to the Interest Payment Date
Issue Price	At par, which is equal to the face value of the First Tranche Bonds
IT	Information Technology
ITH	Income tax holiday
Jera	JERA Co., Inc.
Jera Asia	JERA Asia Private Limited
Joint Issue Managers	BDO Capital, First Metro, and Union Bank
Joint Lead Underwriters and Joint Bookrunners	BDO Capital, First Metro, Union Bank, Chinabank Capital, LANDBANK, PNB Capital, and Security Bank Capital
Joint Venture	A type of joint agreement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require unanimous consent of the parties sharing control
kV	Kilovolt, or one thousand volts
kW	Kilowatt, or one thousand watts
kWh	Kilowatt-hour, the standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
LANDBANK	Land Bank of the Philippines
LFC	Linseed Field Corp.
LGC	RA No. 7160, otherwise known as the Local Government Code, as may be amended from time to time, and including the rules and regulations issued thereunder
LGU	Local Government Unit
LHC	Luzon Hydro Corporation
Lien	With respect to any Person, any lien, pledge, mortgage, charge, hypothecation, encumbrance or other security or preferential arrangement on or with respect to any asset or revenue of such Person

Lima Enerzone	Lima Enerzone Corporation
Lima Land	Lima Land, Inc.
LISP	Light & Industry Science Park
LNG	Liquefied Natural Gas
Low Carbon Economy Bill	House Bill No. 7705 titled “Promoting a Low Carbon Economy and Establishing for this Purpose an Emission Trading System and Implementation Mechanism to Achieve National Climate Targets” filed on March 20, 2023 at the 19th Congress of the Philippines.
LTC	Lima Technology Center
Maaraw San Carlos	Maaraw Holdings San Carlos, Inc.
Mactan Enerzone	Mactan Enerzone Corporation
Magat Plant	The Magat HEPP of SNAP-Magat located at the border of Isabela and Ifugao provinces
Mainstream	Mainstream Renewable Power Philippines Holdings B.V.
Majority Bondholders	At any time, the relevant Bondholders of the First Tranche Bonds who hold, represent or account for at least fifty percent (50%) plus one peso (₱1.00) of the aggregate outstanding principal amount thereof; provided that, in respect of any matter presented for resolution at any meeting of Bondholders that affect the rights and interests of only the holders of the Series A Bonds, holders of Series A Bonds, exclusively, will be considered for quorum and approval purposes; in respect of any matter presented for resolution at any meeting of Bondholders that affect the rights and interests of only the holders of the Series B Bonds, holders of Series B Bonds, exclusively, will be considered for quorum and approval purposes and; at any meeting of Bondholders that affect the rights and interests of only the holders of the Series C Bonds, holders of Series C Bonds, exclusively, will be considered for quorum and approval purposes.
Malvar Enerzone	Malvar Enerzone Corporation
Master Certificates of Indebtedness	The certificates representing the Series A Bonds, Series B Bonds, and Series C Bonds sold in the Offer issued to and registered in the name of the Trustee, on behalf of the Bondholders
Material Adverse Effect	a material adverse effect on the ability of the Issuer to perform or comply with any of its material obligations, or to exercise any of its material rights, under the Trust Agreement, the Issue Management and Underwriting Agreement or the Bonds
Maturity Date	The date at which the Series A Bonds, Series B Bonds, and Series C Bonds shall be redeemed by the Issuer by paying the principal amount thereof, and which date is, for the Series A Bonds, 2 years from the Issue Date, for Series B Bonds, 5 years from the Issue Date, and for the Series C Bonds, 10 years from Issue Date; provided that, in the event that the Maturity Date falls on a day that is not a Banking Day, the Maturity Date shall be the immediately succeeding Banking Day, without adjustment to the amount of interest to be paid

MCIAA	Mactan Cebu International Airport Authority
MEPZ II	Mactan Export Processing Zone II
MERALCO	Manila Electric Company
MGen	Meralco PowerGen Corporation
mn	Million
MOA	Memorandum of Agreement
MORE	Manila-Oslo Renewable Enterprise, Inc.
MSK	Matuwid na Singil sa Kuryente Consumer Alliance, Inc.
MW	Megawatt, or one mn watts
MWh or MW-h	Megawatt-hour
MWp	Megawatt-peak
MVA	Megavolt Ampere
Natural Gas Industry Bill	Republic Act 12120 or the Philippine Natural Gas Industry Development Act
NCR	National Capital Region of the Philippines
NEA	National Electrification Administration
Net Debt	The interest-bearing debt less cash, cash equivalents, and short-term investments of the Issuer
Net Debt to Consolidated Equity Ratio	The ratio of Net Debt to Consolidated Equity
NGCP	National Grid Corporation of the Philippines
NPC	National Power Corporation
NPPC	Naga Power Plant Complex
NWRB	National Water Resources Board
Offer Period	The period when the Bonds are offered for sale, distribution and issuance by the Issuer, commencing on [·] 2025 at 9:00 a.m. and ending on [·] 2025 at 5:00 p.m, or such other date and time as may be mutually agreed between the Issuer and the Joint Lead Underwriters and Joint Bookrunners
Open Access or RCOA	Retail Competition and Open Access and as defined in EPIRA, refers to the provision of allowing any qualified user the use of transmission, and/or distribution system and associated facilities subject to the payment of transmission and/or distribution retail wheeling rates duly approved by the ERC
OT	Operational Technology

Pagbilao Plant or Pag1 and Pag2	The 700-MW (2x350 MW) coal-fired thermal power plant located in Pagbilao, Quezon
Pag 3	A third generating unit with a net capacity of 420 MW within the Pagbilao Plant facilities
PAO	Provisional Authority to Operate
PBR	Performance-based rate-setting regulation
PCC	Philippine Competition Commission
PCRM	Pricing and Cost Recovery Mechanism
PDEx	Philippine Dealing & Exchange Corp.
PDEx Rules	PDEx Rules for the Fixed Income Securities Market, as amended, and as the same may be revised from time to time, as well as all other related rules, guidelines, and procedures that may be issued by PDEx
PDS	Power Distribution System
PDTC	Philippine Depository & Trust Corp.
PEC	Pagbilao Energy Corporation
PEMC	Philippine Electricity Market Corporation
PEMC Board	PEMC Board of Directors
PEMC-ECO	Enforcement and Compliance Office of the Philippines Electricity Market Corporation
Person	An individual, corporation, partnership, association, joint stock company, trust, any unincorporated organization, or a government or political subdivision thereof
PEZA	Philippine Economic Zone Authority
PFRS	Philippine Financial Reporting Standards
PGC	Philippine Grid Code; promulgated by the ERC under the EPIRA, it establishes basic rules, requirements, procedures and standards that govern the operation, maintenance and development of the high-voltage backbone Transmission System in the Philippines
PGPC	Philippine Geothermal Production Company
Philippine Pesos or ₱	The lawful currency of the Philippines
PhilRatings	Philippine Ratings Services Corporation
PIPPA	Philippine Independent Power Producers Association, Inc.
PIS	Performance Incentive Scheme
PLC	Publicly Listed Company
Pmax	Maximum power point

PNB Capital	PNB Capital and Investment Corporation
Power Partners	Power Partners Ltd. Co.
PPA	Power Purchase Agreement. Can also be referred to as Power Supply Agreement ("**PSA**")
PRISM	Prism Energy, Inc.
Project Chromite	Pertains to the acquisition of shares by TNGP in CGHI, resulting in TNGP (together with MPower), owning a 67% equity interest in SPPC, EERI, and IPIEC and CGHI and SMGP's joint acquisition of approximately 100% of Linseed Field Corp.
PSA	Power Supply Agreement
PSALM	Power Sector Assets and Liabilities Management Corporation
PSC	Power Supply Contract
PSE	The Philippine Stock Exchange, Inc.
Public Offer	Refers to the random or indiscriminate offering of securities in general to anyone who will buy, whether solicited or unsolicited as per the SRC IRR
PV Sinag	PV Sinag Power, Inc.
RA	Republic Act
RDWR	Rules for Setting Distribution Wheeling Rates
RE	Renewable Energy
Record Date	The cut-off date in determining Bondholders entitled to receive interest or principal amount due, as used with respect to any Payment Date shall mean the day which is two (2) Banking Days prior to the relevant Interest Payment Date; provided that if such day falls on a non-Banking Day, the Record Date shall be the Banking Day immediately preceding said date
Registrar and Paying Agent or the Registrar	Philippine Depository & Trust Corp.
Registration Statement	The registration statement covering the Debt Securities Program, as may be amended or supplemented from time to time;
Registry and Paying Agency Agreement	Agreement dated [·] entered into between the Company and the Registrar and Paying Agent in relation to the First Tranche Bonds.
Registry Book	The electronic register which shows the legal title to the First Tranche Bonds, maintained by the Registrar, pursuant to and under the terms of the Registry and Paying Agency Agreement
Relevant Period	A period of (12) calendar months ending on the last day of any quarter of any of the Issuer's fiscal years for which financial statements have been disclosed in accordance with SEC regulations

Renewable Energy Act or RE Law	RA No. 9513, otherwise known as the Renewable Energy Act of 2008
REPA	Renewable Energy Payment Agreement
RERI	RE Resources, Inc.
RES	Retail Electricity Supplier
Revised Corporation Code or RCC	RA No. 11232, otherwise known as the Revised Corporation Code of the Philippines, amending Batas Pambansa Blg. 68 (or the Corporation Code of the Philippines), and as may be further amended from time to time, and including the rules and regulations issued thereunder
RORB	Return-on-Rate Base
RP Energy	Redondo Peninsula Energy, Inc.
RPS	Renewable Portfolio Standard
RPT	Real Property Tax
RTC	Regional Trial Court
Run-of-river hydroelectric plant	Hydroelectric power plant that generates electricity from the natural flow and elevation drop of a river
SacaSun	San Carlos Sun Power, Inc.
SBFZ	Subic Bay Freeport Zone
Security Bank Capital	Security Bank Capital Investment Corporation
SBU	Strategic Business Unit of the Aboitiz Group
SC	Supreme Court
SEC	The Securities and Exchange Commission of the Philippines
Selling Agents	Institutions who are authorized under Philippine law to act as such and whose role is to help facilitate the sale and distribution of the First Tranche Bonds. The Selling Agents for this Offer are each of the Joint Lead Underwriters and Joint Bookrunners, and [EastWest Bank].
Series A Bonds	The fixed rate bonds having a term ending two (2) years from the Issue Date, with a fixed interest rate of [·]% p.a.
Series B Bonds	The fixed rate bonds having a term ending five (5) years from the Issue Date, with a fixed interest rate of [·]% p.a.
Series C Bonds	The fixed rate bonds having a term ending ten (10) years from the Issue Date, with a fixed interest rate of [·]%p.a.
SFELAPCO	San Fernando Electric Light and Power Co., Inc.

SHAPES	Safety and Health Association of the Philippines Energy Sector Inc.
Shelf Period	A period of three (3) years from the date of effectivity of the Registration Statement, subject to any extension as may be granted by the SEC, within which securities under the Debt Securities Program may be offered
SHES	Safety, Health, Environment and Security
SIPS	System Integrity Protection Schemes
SLA	Service Level Agreements
SMGP	San Miguel Global Power Holdings Corp.
SN Power	SN Power Philippines, Inc.
SNAP – Benguet	SN Aboitiz Power – Benguet, Inc. (formerly, SN Aboitiz Power Hydro, Inc.)
SNAP – Magat	SN Aboitiz Power – Magat, Inc.
SN Aboitiz Power Group	Refers to the group of companies formed out of the strategic partnership between AboitizPower and SN Power; particularly, MORE and its Subsidiaries, including, SNAP-Benguet, SN Aboitiz Power-Gen, Inc., SN Aboitiz Power-RES, Inc., and SNAP-Magat
Southern Philippines	Southern Philippines Power Corporation
SPC	SPC Power Corporation
SPI	SPI Power Incorporated (formerly STEAG State Power, inc.)
Spot Market Price	Price of electricity in the WESM, determined per hourly trading interval
SPPC	South Premier Power Corp.
Southern Philippines Plant	A 55-MW Bunker C-fired power plant owned and operated by Southern Philippines
SRA	Secure Remote Access
SRC	RA No. 8799, otherwise known as the Securities Regulation Code of the Philippines, as amended and may be amended from time to time, including the rules and regulations issued thereunder
SRC IRR	2015 Implementing Rules and Regulations of the SRC
STEAG Power	STEAG State Power, Inc. (see definition of SPI)
Stranded Costs	As defined in the EPIRA, the excess of the contracted costs of electricity under eligible contracts over the actual selling price of the contracted energy output under such contracts. Eligible contracts are those approved by the ERB from December 31, 2000 onwards
Stranded Debt	As defined in the EPIRA, refers to any unpaid financial obligations of the National Power Corporation that have not been liquidated by the proceeds from the sale and privatization of its assets.
Subic Enerzone	Subic Enerzone Corporation

Subsidiary	In respect of any Person, any entity (i) over fifty percent (50.0%) of whose capital is owned directly by that Person; or (ii) for which that Person may nominate or appoint a majority of the members of the board of directors or such other body performing similar functions
Tax Code	Presidential Decree No. 1158, otherwise known as the National Internal Revenue Code, as amended and may be further amended from time to time, including the rules and regulations issued thereunder
TCFD	Task Force on Climate-Related Financial Disclosures
TCIC	Taiwan Cogeneration International Corporation
TeaM Energy	TeaM Energy Corporation
TeaM Philippines	TeaM Philippines Industrial Power II Corporation (formerly Mirant (Phils.) Industrial Power II Corp.)
THC	Tsuneishi Holdings (Cebu), Inc.
Tiwi-MakBan	Tiwi-MakBan Geothermal Complex, composed of twelve (12) geothermal plants and one (1) binary plant, located in the provinces of Batangas, Laguna and Albay
TLI	Therma Luzon, Inc.
TMI	Therma Marine, Inc.
TMO	Therma Mobile, Inc.
TPI	Therma Power, Inc.
TPVI	Therma Power-Visayas, Inc.
Transaction Date	with respect the incurrence of any loan obligation with a maturity of more than one (1) year, the date such loan obligation is incurred
Transco	National Transmission Corporation and, as applicable, NGCP, which is the Transco concessionaire
Treasury Transaction	any currency, commodity, or interest rate purchase, cap or collar agreement, forward rate agreement, future or option contract, swap or other similar agreement, in relation to the Issuer’s treasury management
Trust Agreement	Trust Agreement dated [·] entered into between the Company and the Trustee in relation to the First Tranche Bonds
Trustee	BDO Unibank, Inc. – Trust and Investments Group or any other successor trustee acting as trustee pursuant to the Trust Agreement
TRO	Temporary Restraining Order
TSI	Therma South, Inc.
TVI	Therma Visayas, Inc.

TWh	Terawatt-hour
ULGPP	Unified Leyte Geothermal Power Plant
Union Bank	Union Bank of the Philippines
US$ or USD or U.S. dollar	The lawful currency of the United States of America
VAT	Value Added Tax
Visayan Electric	Visayan Electric Company, Inc.
Vivant	Vivant Energy Corporation
Vivant Group	Vivant and its Subsidiaries
WESM	Philippine Wholesale Electricity Spot Market
WESM Rules	Basic rules, requirements, and procedures that govern the operation of the Philippine electricity market that are promulgated by the DOE
WMPC	Western Mindanao Power Corporation
WMPC Plant	A 100-MW Bunker C-fired power station in Zamboanga City owned and operated by WMPC
YoY	Year-on-Year

EXECUTIVE SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. Because it is a summary, it does not contain all of the information that a Prospective Bondholder should consider before investing. Prospective Bondholders should read the entire Prospectus carefully, including the section entitled "Risk Factors and Other Considerations", and the financial statements and the related notes to those statements included in this Prospectus, and disclosures made available to the general public in accordance with the relevant rules of the SEC and the PSE. In case of any inconsistency between this summary and the more detailed information in this Prospectus, then the more detailed portions, as the case may be, shall at all times prevail.

The Offer

AboitizPower is offering the First Tranche Bonds in an aggregate principal amount of up to ₱20,000,000,000.00, with an Oversubscription Option of up to ₱10,000,000,000.00. In case the Oversubscription Option is partly exercised or not exercised at all during the Offer Period, the First Tranche Bonds under Oversubscription Option that will not be taken up or exercised during the Offer Period will remain under Shelf Registration and may be issued in tranches within the Shelf Period. The Oversubscription Option is exercisable by the Joint Lead Underwriters and Joint Bookrunners with the consent of the Issuer.

Investment Thesis

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

The Company

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

The power generation business of AboitizPower is the second largest in the Philippines in terms of attributable installed capacity.[2] Moreover, AboitizPower has the second largest distribution utility, in terms of captive customer connections and energy sales,[3] while its RES business is the second largest in terms of number of contestable customers.[4] AboitizPower is a pioneer in building and operation of run-of-river hydropower plants in the country. Today, through its renewable energy Subsidiaries, AboitizPower has the largest installed capacity of renewable energy under its market control.[5]

For a full discussion, please refer to the section on *"The Company"* on page [•] of this Prospectus.

History

Incorporated in 1998, AboitizPower has grown to become a leader in the Philippine power industry with interests in a number of privately-owned generation companies and distribution utilities. As of May 15, 2025, after a series of transactions related to the share buy-back program initiated in 2023, AEV owns 53.09% of the outstanding capital stock of AboitizPower, 27.57% is owned by JERA Asia Pte. Ltd.

[2] Based on ERC Resolution No. 07, series of 2025, dated March 13, 2025.

[3] Based on DOE's Distribution Development Plan 2023-2032.

[4] ERC Competitive Retail Electricity Market Monthly Statistical Data as of December 2024.

[5] Based on ERC Resolution No. 07, series of 2025, dated March 13, 2025.

(“**JERA Asia**”), while about 1.86% is owned by directors, officers, and other related parties; the remainder is owned by the public.[6]

Ownership in AboitizPower was opened to the public through an initial public offering (“**IPO**”) of its common shares in July 2007. Its common shares were officially listed on the PSE on July 16, 2007. As of May 15, 2025, AboitizPower had a market capitalization of ₱261.573 bn, with a common share price of ₱36.30 per share.

For a full discussion, please refer to the section on “*The Company*” on page [•] of this Prospectus.

Summary of Financial Information

The summary of financial and operating information presented for each of the three (3) years in the period ended December 31, 2024 were derived from the consolidated financial statements of AboitizPower, audited by SyCip Gorres Velayo & Co. (“**SGV**”) and prepared in accordance with Philippine Financial Reporting Standards (“**PFRS**”) Accounting Standards.

Prospective Bondholders should read the summary financial information below together with AboitizPower’s audited consolidated financial statements including the Notes thereto, presented as an Annex and the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page [•] of this Prospectus. The information is not necessarily indicative of the results of the future operations.

[6] Taking into account the total issued shares (which includes treasury shares acquired by the Company through the share buy-back program), AEV holds approximately 51.99% of the issued shares of AboitizPower, 27.00% is with JERA Asia, and 1.81% is owned by directors, officers, and other related parties

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2024	December 31, 2023	December 31, 2022
ASSETS			
Current Assets			
Cash and cash equivalents	₱56,759,297	₱54,538,784	P₱64,763,642
Trade and other receivables	36,593,245	34,247,542	35,342,951
Inventories	14,251,718	13,675,531	16,123,700
Derivative assets	314,646	355,308	2,666,226
Other current assets	15,107,447	12,986,262	14,079,868
Total Current Assets	**₱123,026,353**	**₱115,803,427**	**₱132,976,387**
Investments and advances	95,930,192	91,640,709	77,928,459
Property, plant and equipment	220,158,293	209,726,892	206,857,588
Intangible assets	51,859,795	49,757,097	49,771,385
Derivative Assets Noncurrent	-	-	245,801
Net pension assets	78,304	40,459	83,438
Deferred income tax assets	1,333,484	1,337,626	1,125,235
Other noncurrent assets	25,229,646	18,717,096	8,387,477
Total Noncurrent Assets	394,589,714	371,219,879	344,399,383
TOTAL ASSETS	**₱517,616,067**	**₱487,023,306**	**₱477,375,770**

LIABILITIES AND EQUITY			
Current Liabilities			
Short-term loans	₱25,035,435	₱19,959,100	₱21,402,715
Current portions of:			
Long-term debts	16,465,260	10,730,454	10,279,212
Lease liabilities	170,877	81,964	9,288,292
Long-term obligation on power distribution system		40,000	40,000
Derivative liabilities	229,918	481,595	116,672
Trade and other payables	35,706,641	32,868,673	32,948,328
Income tax payable	1,337,864	472,703	492,656
Total Current Liabilities	**₱78,985,995**	**₱64,634,489**	**₱74,567,875**
Noncurrent Liabilities			
Noncurrent portions of:			
Long-term debts	₱197,254,006	₱203,540,676	₱189,172,706
Lease liabilities	4,275,016	2,832,881	18,253,664
Long-term obligation on power distribution system		82,730	105,390
Derivative liabilities	3,698	—	330,592
Customers' deposits	9,515,891	8,861,811	8,144,054
Decommissioning liability	5,259,205	7,363,729	5,654,234
Deferred income tax liabilities	5,478,492	4,829,487	2,415,245
Net pension liabilities	889,844	903,138	599,491
Total Noncurrent Liabilities	**₱222,733,390**	**₱228,414,452**	**₱224,675,376**

Total Liabilities	**₱301,719,385**	**₱293,048,941**	**₱299,243,251**

(Forward)

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

	Years Ended December 31		
	2024	**2023**	**2022**
OPERATING REVENUES			
Sale of power:			
Generation	₱93,183,493	₱106,795,878	₱101,500,632
Distribution	56,994,259	53,362,657	57,235,327
Retail electricity supply	45,868,950	46,123,403	35,179,570
Interest income on concession contract asset	1,185,291	716,218	—
Technical, management and other fees	260,264	101,741	78,059
OPERATING REVENUES	**197,492,257**	**207,099,897**	**193,993,588**
OPERATING EXPENSES			
Cost of purchased power	68,144,387	71,460,870	69,379,333
Cost of generated power	47,128,804	63,972,900	60,619,129
Depreciation and amortization	12,538,419	13,109,562	11,863,670
General and administrative	13,976,588	13,109,311	10,194,903
Operations and maintenance	14,509,147	13,662,175	12,133,579
	156,297,345	**175,314,818**	**164,190,614**
FINANCIAL INCOME (EXPENSES)			
Interest income	1,974,244	1,667,278	678,696
Interest expense and other financing costs	(14,600,723)	(14,161,646)	(13,420,348)
	(12,626,479)	**(12,494,368)**	**(12,741,652)**
OTHER INCOME			
Share in net earnings of associates and joint ventures	15,693,423	19,817,774	15,134,970
Other income - net	1,681,090	4,633,814	515,330
	17,374,513	24,451,588	15,650,300
INCOME BEFORE INCOME TAX	45,942,946	43,742,299	32,711,622
PROVISION FOR INCOME TAX	8,212,936	7,276,865	4,701,005
NET INCOME	**₱37,730,010**	**₱36,465,434**	**₱28,010,617**
ATTRIBUTABLE TO:			
Equity holders of the parent	₱33,900,184	₱33,101,720	₱25,998,668
Non-controlling interests	3,829,826	3,363,714	2,011,949
	₱37,730,010	**₱36,465,434**	**₱28,010,617**
EARNINGS PER COMMON SHARE			
Basic and diluted, income for the period attributable to ordinary equity holders of the parent	₱4.70	₱4.52	₱3.53

For a full discussion, please refer to the section on "*Financial and Other Information*" beginning on page [•] of this Prospectus.

Competitive Strengths

The Company believes that its principal strengths are the following:

- Strong track record in power generation, retail electricity supply, and distribution
- Ability to take advantage of expected strong power market fundamentals
- Power generation contracts that provide steady and predictable cash flow
- Benefits from renewable energy sources
- Dependable and growing sources of income from its power distribution businesses
- Strong financial position and the ability to obtain limited recourse and corporate level financing
- Established relationships with strategic partners
- Strong and experienced management team

For a full discussion, please refer to the section on "*Competitive Strengths*" on page [•] of this Prospectus.

Business Strategy

The Company's business strategy is to increase shareholder value by undertaking the following steps:

- Expand the Company's generation portfolio
- Contract the bulk of the Company's attributable net sellable capacity and leverage the generating portfolio mix
- Expand the scope of the Company's distribution business and continue to improve the operational efficiency of its existing distribution assets
- Maintain a high level of social responsibility in the communities in which the Company operates

For a full discussion, please refer to the section on "*Business Strategy*" beginning on page [•] of this Prospectus.

Risks of Investing

An investment in the First Tranche Bonds involves a certain degree of risk. A Prospective Bondholder should carefully consider the following factors, in addition to the other information contained in this Prospectus, in deciding whether to invest in the First Tranche Bonds.

Risks related to the Company's business:

- Energy Transition Risk
- Country Concentration Risk
- Regulatory Risk
- Operational Risk
- Reputation Risk
- Transmission Risk
- Cyber and Information Security Risk
- Supply Chain Risk
- Talent Risk
- Emerging Risk

Risks Related to the Philippines:

- A slowdown in the Philippines' economic growth could adversely affect the Company
- Any political instability in the Philippines may adversely affect the Company
- Territorial disputes involving the Philippines and its neighboring countries may adversely affect its economy and business development

Risks Related to the Offer:

- Liquidity Risk
- Reinvestment Risk
- Pricing Risk
- Retention of Ratings Risk
- Suitability of Investment
- Bonds have no preference under Article 2244(14) of the Civil Code

For a full discussion, please refer to the section on "*Risk Factors and Other Considerations*" on page 37 of this Prospectus.

This Prospectus contains forward-looking statements that involve risks and uncertainties. AboitizPower adopts what it considers conservative financial and operational controls and policies to manage its business risks. AboitizPower's actual results may differ significantly from the results discussed in the forward-looking statements. See section *"Forward-Looking Statements"* on page [•] of this Prospectus. Factors that might cause such differences, thereby making the Offer speculative or risky, may be summarized into those that pertain to the business and operations of AboitizPower, in particular, and those that pertain to the overall political, economic, and business environment, in general.

CAPITALIZATION

The following presents a summary of the short-term debts, long-term debts, and capitalization of AboitizPower as of December 31, 2024, and as adjusted to reflect the issue of the First Tranche Bonds:

	As of December 31, 2024 (Audited)	**As adjusted for a ₱20.0 billion issue**	**As adjusted for a ₱30.00 billion issue**
	(in ₱ millions)	(in ₱ millions)	(in ₱ millions)
Short-term debt			
Short-term bank loans	25,035	25,035	25,035
Current portions of:			
Long-term debt	16,465	16,465	16,465
Lease liabilities	171	171	171
Total short-term debts	41,671	41,671	41,671
Long-term debts – net of current portion			
Non-current portions of:			
Long-term debt	197,254	197,254	197,254
Lease liabilities	4,275	4,275	4,275
The issue of the Bonds		19,751	29,637
Total long-term debts	201,529	221,280	231,166
Equity			
Equity attributable to equity holders of the parent	203,232	203,232	203,232
Non-controlling interests	12,665	12,665	12,665
Total Equity	215,897	215,897	215,897
Total Capitalization	459,097	478,848	488,734

OVERVIEW OF THE DEBT SECURITIES PROGRAM

The following sections outline the description of the Securities Program followed by specific indicative terms and conditions applicable to a particular Tranche. The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of the Debt Securities Program, the applicable terms and conditions contained in the relevant offer supplement. In case of conflict between the terms below and those contained in the offer supplement corresponding to a particular Tranche, the latter shall prevail.

The Debt Securities Program

Issuer:	Aboitiz Power Corporation
Facility:	Up to One Hundred Billion Pesos (₱100.0 Billion) Debt Securities Program
Purpose:	The intended use of proceeds for each Tranche of the Debt Securities Program being offered shall be set in the relevant prospectus and/or offer supplement under the "Use of Proceeds" section.
Availability:	The Debt Securities Program will be continuously available until the expiration of the Shelf Registration and the permit to offer securities for sale to be issued by the SEC.
Maturity:	to be determined per Tranche
Method of Issue:	Each of the Securities will be issued on a continuous basis in Tranches on different issue dates. The specific terms of each Tranche (which, save in respect of the issue date, issue price, interest commencement date, and principal amount of the Tranche, will be similar to the terms of other Tranches of the same Securities) will be set forth in the relevant prospectus or corresponding offer supplement.
Form of Securities:	Each Tranche of the Bonds will be represented by a Master Certificate of Indebtedness to be issued and registered in the name of the Trustee for the holders of the Securities ("**Security Holders**") and by applicable document pursuant to the rules or other relevant regulations as promulgated by the SEC. Legal title to the Securities shall be shown on and recorded in the Register of Security Holders maintained by the Registrar.
Denomination of the Tranche of Securities to be issued:	Fixed-rate bonds: minimum of ₱50,000.00 face value and in increments of ₱10,000.00.
Redemption for Taxation Reasons:	If payments under the relevant Tranche become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the relevant Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the relevant Tranche in whole, but not in part, (having given not more than sixty (60) nor less than fifteen (15) days' prior written notice to the Trustee) at par plus accrued interest.
Final Redemption:	Except when a call option on the Bonds is exercised, the Bonds will be redeemed at par or 100% face value on the relevant maturity date.

Status of the Securities:	The Securities shall constitute direct, unconditional, unsubordinated, and unsecured Philippine peso-denominated obligations of the Issuer and will rank *pari passu* and ratably without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, other than obligations mandatorily preferred by law.
Negative Pledge:	The Securities shall have the benefit of a negative pledge on all existing and future assets of the Issuer, subject to certain permitted liens.
Governing Law:	Philippine Law

Specific terms related to any Tranche

Issue Price:	The fixed-rate bonds will be issued at 100% of face value.
Fixed-rate Bonds Interest:	Interest on fixed-rate bonds shall be calculated on a 30/360-day count basis and shall be paid quarterly in arrear.
Early Redemption Option:	The applicable final terms will indicate either that the relevant Bonds cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Bonds will be redeemable at the option of the Issuer and/or the fixed-rate bondholders upon giving notice to the Bondholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the Joint Issue Managers, Joint Lead Underwriters, and Joint Bookrunners.
Purchase and Cancellation:	The Issuer may at any time purchase any of the Bonds in the open market or by tender or by contract at market price without any obligation to purchase (and the bondholders shall not be obliged to sell) fixed-rate bonds pro-rata from all bondholders. Any Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the fixed-rate bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.
Registrar and Paying Agent:	Philippine Depository & Trust Corp.
Listing:	Philippine Dealing & Exchange Corp.

SUMMARY OF THE OFFER

This Offer relates to the first tranche of the Bonds under the Debt Securities Program with a Base Offer of up to ₱20,000,000,000.00 with an Oversubscription Option of up to ₱10,000,000,000.00 (the "**First Tranche Bonds**"). The following summary does not purport to be complete, is taken from, qualified in its entirety by, the remainder of this Prospectus.

Issuer	:	Aboitiz Power Corporation
Joint Issue Managers	:	BDO Capital First Metro UnionBank
Joint Lead Underwriters and Joint Bookrunners	:	BDO Capital First Metro UnionBank Chinabank Capital LANDBANK PNB Capital Security Bank Capital
Trustee	:	BDO Unibank, Inc. – Trust and Investments Group
Registrar and Paying Agent	:	Philippine Depository & Trust Corp.
Issue / Issue Amount	:	SEC–registered fixed rate, Philippine Peso-denominated bonds constituting the direct, unconditional, unsecured and unsubordinated obligations of the Issuer in the amount of up to ₱20,000,000,000.00 (the "**Base Offer**") with an oversubscription option of up to ₱10,000,000,000.00 (the "**Oversubscription Option**"), under the Issuer's Debt Securities Program. The Issuer has the discretion to allocate the Issue Amount between the Series A Bonds, Series B Bonds and Series C Bonds, or depending on prevailing market conditions, to fully allocate the entire Issue Amount to one or two series, based on bids received from the book-building process of the Joint Lead Underwriters and Joint Bookrunners. In case the Oversubscription Option is partly exercised or not exercised at all during the Offer Period, the First Tranche Bonds under Oversubscription Option that will not be taken up or exercised during the Offer Period will remain under the Shelf Registration and may be issued in tranches within the Shelf Period. The Oversubscription Option is exercisable by the Joint Lead Underwriters and Joint Bookrunners with the consent of the Issuer.
Use of Proceeds	:	1. To refinance the 2020 Series F Bonds and 2021 Series B Bonds; and the early redemption of the 2018 Series C Bonds; and 2. To partially refinance the short-term loans related to Project Chromite.
Issue Price	:	100% of face value

Manner of Distribution	:	Public offer to eligible investors
Offer Period	:	The Offer shall commence at 9:00 a.m. on [•] 2025 and end at 5:00 p.m. on [•] 2025, or on such other date as the Issuer and the Joint Lead Underwriters and Joint Bookrunners may agree upon.
Issue Date	:	[•] 2025, or the immediately succeeding Banking Day if such Issue Date is not a Banking Day, or such later date as may be mutually determined by the Issuer and the Joint Lead Underwriters and Joint Bookrunners for the issuance of the First Tranche Bonds. In the event that the original Issue Date is moved to the succeeding Banking Day, the interest accruing for the first Interest Period shall accrue from (and including) such adjusted Issue Date, without adjustment to the Interest Payment Date.
Maturity Date or Redemption Date	:	Shall mean the date at which the Series A, Series B, and Series C Bonds shall be redeemed by the Issuer by paying the principal amount thereof, and which date is, for the Series A Bonds, two (2) years from the Issue Date, for the Series B Bonds, five (5) years from Issue Date, and for the Series C Bonds, ten (10) years from Issue Date; provided that, in the event that the Maturity Date falls on a day that is not a Banking Day, the principal repayment shall be made by the Issuer on the next succeeding Banking Day, without adjustment to the amount of interest to be paid
Interest Rate	:	Series A Bonds: [·]% p.a. Series B Bonds: [·]% p.a. Series C Bonds: [·]% p.a.
Interest Payment Date	:	The Interest shall be paid quarterly in arrear on [·],[·], [·], and [·] of each year commencing on [·], until and including the relevant Maturity Date (each, an "**Interest Payment Date**"), or the next Banking Day if such dates fall on a non-Banking Day without any adjustment in the amount of interest as originally computed, provided that if the Issue Date is set at a date other than [·], then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every three (3) months following the actual Issue Date. The last Interest Payment Date shall fall on the relevant Maturity Date, or the immediately succeeding Banking Day if such date is not a Banking Day, without any adjustment to the amount due. Interest on the First Tranche Bonds shall be calculated on a 30/360-day basis.
Form and Denomination	:	The First Tranche Bonds shall be issued in scripless form in minimum denominations of ₱50,000.00 each, and in multiples of ₱10,000.00 thereafter.
Early Redemption	:	The Issuer shall have the right, but not the obligation, to redeem in whole (and not in part), the outstanding First Tranche Bonds (the "**Early Redemption Option**"), on any of Interest Payment Dates specified below (any such date, the "**Early Redemption Date**") or the immediately succeeding Banking Day if such date is not a Banking Day, without any adjustment in the amount of interest and principal as originally

computed. The amount payable to the Bondholders in respect of the Early Redemption Option exercise ("**Early Redemption Price**") shall be calculated based on the principal amount of the First Tranche Bonds being redeemed as the aggregate of the: (i) accrued interest computed from the last Interest Payment Date up to the relevant Early Redemption Date; and (ii) the product of the principal amount and the applicable Early Redemption Price in accordance with the following schedule:

Series A Bonds	
Early Redemption Dates	**Early Redemption Price**
not applicable	not applicable

Series B Bonds	
Early Redemption Dates	**Early Redemption Price**
2 years from Issue Date and every Interest Payment Date thereafter before the 3rd year anniversary of the Issue Date	[101.00%]
3 years from Issue Date and every Interest Payment Date thereafter before the 4th year anniversary of the Issue Date	[101.00%]
4 years from Issue Date and every Interest Payment Date thereafter before the Maturity Date	[100.25%]

Series C Bonds	
Early Redemption Dates	**Early Redemption Price**
5 years from Issue Date and every Interest Payment Date thereafter before the 6th year anniversary of the Issue Date	[102.50%]
6 years from Issue Date and every Interest Payment Date thereafter before the 7th year anniversary of the Issue Date	[102.00%]
7 years from Issue Date and every Interest Payment Date thereafter before the 8th year anniversary of the Issue Date	[101.00%]
8 years from Issue Date and every Interest Payment Date thereafter before the 9th year anniversary of the Issue Date	[101.00%]
9 years from Issue Date and every Interest Payment	[100.25%]

Date thereafter before the Maturity Date	

The Issuer shall give not less than thirty (30) nor more than sixty (60) days prior written notice to the Bondholders through the Trustee of its intention to redeem the First Tranche Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption on the Early Redemption Date stated in such notice. For the avoidance of doubt, notice to the Trustee shall be considered notice to the Bondholders.

Redemption for Taxation Reasons : The Issuer may redeem any series of the First Tranche Bonds in whole, but not in part, on any Interest Payment Date (having given not more than sixty (60) nor less than fifteen (15) days' notice to the Trustee) at par plus accrued interest, subject to the requirements of Applicable Law, if payments under the First Tranche Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on Issue Date as a result of certain changes in Applicable Law, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer.

For avoidance of doubt, the Issuer shall not be liable for the payment of the additional or increased taxes on the income of the Bondholders, which shall be for the account of the Bondholders.

Mandatory Redemption

If any one or more of the following events shall occur, in the reasonable opinion of the Bondholders holding at least two-thirds (2/3) of the outstanding amount of the First Tranche Bonds for the events contemplated in (a), (b) or (c) below or the Majority Bondholders for the events contemplated in (d) below (and with written notice to the Trustee), and be continuing for a period of thirty (30) Banking Days with respect to the events contemplated in (a) or (c) below:

a. Any law government and/or non-government consent, license, authorization, registration or approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Agreement or the First Tranche Bonds which shall be modified in a manner which, while not constituting an Event of Default, will result in a Material Adverse Effect, or shall be withdrawn or withheld;

b. Any provision of the Trust Agreement or any of the related documents is or becomes invalid, illegal or unenforceable by reason of: (i) any final judgment or order by a court of competent authority; or (ii) notwithstanding any pending action before a court of competent authority: (x) any final and effective act of any Government Authority, or (y) any final and effective law, rule, or regulation to the extent that it becomes for any reason unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Agreement or any of the related documents in whole or in part, or any law is introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Agreement or any other related documents;

c. Any concessions, permits, rights, franchise or privileges required for the conduct of the business and operations of the Issuer shall be revoked, canceled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, by reason of: (i) any final judgment or order by a court of competent authority; or (ii) notwithstanding any pending action before a court of competent authority: (x) any final and effective act of any Government Authority, or (y) any final and effective law, rule, or regulation, in such a manner as to materially and adversely affect the financial condition or operations of the Issuer; and

d. Any Government Authority or any competent authority condemns, seizes, or expropriates all or substantially all of the assets or properties of the Issuer, unless such act is contested in good faith by the Issuer or unless such act is suspended or restrained by an order of a court of competent jurisdiction;

		then, the Trustee, by notice in writing delivered to the Issuer, may declare the principal of the First Tranche Bonds, including all accrued interest and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable without any pre-payment penalty that is imposed under an Early Redemption, anything contained in the Trust Agreement or in the First Tranche Bonds to the contrary notwithstanding, subject to the notice requirements under Section 10.2 of the Trust Agreement, provided that, such notice shall not be deemed either caused by default under Section 9.1, or a notice of default under Section 10.2 of the Trust Agreement. The Issuer shall also have the option to redeem in whole, but not in part, the First Tranche Bonds at par (or 100% of face value) and paid together with the accrued interest thereon, by giving not more than sixty (60) nor less than thirty (30) (or such shorter period prescribed by Applicable Law, if any) days' notice to the Trustee.
Negative Pledge	:	The First Tranche Bonds shall have the benefit of a negative pledge on all existing and future assets of the Issuer, subject to certain permitted liens, as provided under Section 5.2 (a) of the Trust Agreement.
Purchase and Cancellation	:	The Issuer may at any time purchase any of the First Tranche Bonds at any price in the open market or by tender or by contract, in accordance with PDEx Rules, as may be amended from time to time, without any obligation to purchase (and the Bondholders shall not be obliged to sell) First Tranche Bonds pro-rata from all Bondholders. The First Tranche Bonds so purchased will be redeemed and cancelled, and may no longer be reissued. Upon listing of the First Tranche Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.
Status of the First Tranche Bonds	:	The First Tranche Bonds shall constitute the direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of the Issuer and shall rank pari passu and ratably without any preference or priority amongst themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by law; (ii) any obligation incurred by the Issuer pursuant to Section 5.2 (a) of the Trust Agreement or as may be allowed by the Trust Agreement; and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of the Issue Date. The First Tranche Bonds shall effectively be subordinated in right of payment to, among others, all of the Issuer's secured debts to the extent of the value of the assets securing such debt and all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines, unless the Issuer procures a waiver of the preference created by such notarization or equally and ratably extend such preference to the First Tranche Bonds.
Rating	:	The First Tranche Bonds are rated PRS Aaa with a Stable Outlook by PhilRatings.

Listing	:	The Issuer intends to list the First Tranche Bonds on the PDEx on Issue Date.
Non-Reliance	:	Each Bondholder also represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of the Issuer on the basis of such documents and information as it has deemed appropriate and that it has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature against the Trustee in respect of its obligations hereunder, except for its gross negligence or willful misconduct.
Own Risk	:	Bondholders understand and acknowledge that investment in the First Tranche Bonds is not covered by the Philippine Deposit Insurance Corporation ("**PDIC**") and that any loss or depreciation in the value of the assets of the Bondholders, resulting from the investments or reinvestment in the First Tranche Bonds and the regular conduct of the Trustee's trust business shall be for the account of the Bondholder.
Contact Details of the Trustee	:	BDO Unibank, Inc. – Trust and Investments Group Attention: Rachelle Ann C. Mendiola / Emily Bello / Gilbert Alcantara Subject: Aboitiz Power Corporation Bonds Due 2027, 2030 and 2035 Address: 14th Floor, BDO Towers Valero, 8741 Paseo De Roxas, Salcedo Village, Makati City 1226 Philippines Contact Number: (632) 8878-4237 E-mail: rcm@bdo.com.ph bello.emily@bdo.com.ph alcantara.gilbert@bdo.com.ph

RISK FACTORS AND OTHER CONSIDERATIONS

An investment in the First Tranche Bonds described in this Prospectus involves a number of risks. The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. Past performance is not a guide to future performance and there may be a large difference between the buying price and the selling price of these securities. Investors deal with a range of investments, each of which may carry a different level of risk. Investors should carefully consider all the information contained in this Prospectus, including the risk factors described below before deciding to invest in the First Tranche Bonds.

This section entitled "Risk Factors and Other Considerations" does not purport to disclose all the risks and other significant aspects of investing in these securities. This section discusses additional risks to those stated in the Prospectus. The following section is qualified in its entirety by, and should be read in conjunction with, the more detailed information found in the Prospectus. Investors should undertake independent research and study the trading of these securities before commencing any trading activity. Investors should seek professional advice regarding any aspect of the securities such as the nature of risks involved in the trading of securities, and specifically those high-risk securities. Investors may request publicly available information on the First Tranche Bonds and the Company from the SEC.

The risk factors discussed in this section are of equal importance and are only separated into categories for easy reference.

RISKS RELATED TO THE COMPANY'S BUSINESS

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

Energy Transition

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

The growing multi-sectoral negative action against coal has led many financial institutions to restrict investments in coal businesses and projects. The following are important considerations to the Company's existing portfolio and strategic project pipeline, where coal concentration will significantly be reduced by the year 2030:

a. Compliance challenges arise from evolving policies such as the Natural Gas Industry Bill, Low Carbon Economy Bill, CLIMA Act, and Energy Transition Act, which could impose restrictions on fossil fuel operations, financing, and future contracts.
b. Stricter Mass Emission Rate Standards ("**MERS**") introduce additional regulatory requirements, impacting coal plant operations and compliance costs.
c. Insurers continue to align their coal underwriting and investment policies with global sustainability and ESG trends, resulting in higher premiums and limited capacity for coal coverage. Some insurers are reducing or withdrawing from coal-related risks, prompting AboitizPower to explore alternative risk transfer strategies. The global insurance market is facing a decline in capacity for natural catastrophe (Nat Cat) risks, driven by insurers' recovery strategies from catastrophic loss claims and worsening global loss ratios. This further impacts coal asset coverage.
d. Financing and refinancing risks in terms of the Company's inability to borrow money to fund future projects due to current investments in coal. While banks are still willing to lend, the cost of project financing will be less competitive;

e. Withdrawal of technical support by critical contractors and suppliers from construction and/or maintenance thermal power plants in line with global trends on sustainability; and
f. Sourcing of fuel (coal and oil) due to global price volatility because of supply and demand fundamentally affected by pressure on the continued operation of mines.

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

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

AboitizPower is cognizant of the regulatory and market drivers in the shift towards green and sustainable business transformations. AboitizPower and its Subsidiaries are guided by its sustainability framework that looks into environmental, social and governance risks including climate-related risks of its value chains. Its strategy has long considered environmental sustainability as one of its key pillars and, to date, together with its partners, the Company is the largest private renewable energy operator in the country with around 1,150 MW in net sellable installed capacity as of end-2024.

AboitizPower's growth strategy remains aligned with the energy trilemma – balancing the three pillars of energy security, energy equity, and environmental sustainability. Over the last decade, the growth in energy demand has necessitated a focus on energy security and energy equity – the provision of reliable, and affordable energy for a growing economy. Having addressed energy security and energy equity via the presence of sufficient baseload capacity, AboitizPower has begun to shift focus back to environmental sustainability, and rebalancing its energy portfolio. This transition is included in the Company's sustainability agenda, with the Company targeting a mix of 50% thermal and 50% renewable energy capacity by 2030 from its current mix of 76% thermal (which are conventional or combustion power plants such as coal or fuel fired plants), and 24% renewable (which do not rely on fossil fuels).

Further, to properly assess the potential and extent of the above-mentioned risks, AEV and AboitizPower signed up to become the first Philippine supporters of the international Task Force on Climate-Related Financial Disclosures ("**TCFD**") in early 2020. This is a voluntary commitment to adopt a defined governance structure on identifying and addressing physical and transition risks associated with climate change, as well uncovering opportunities, and improving disclosures to provide clear and reliable information to stakeholders. Under SEC Memorandum Circular No. 4, series of 2019 on the Sustainability Reporting Guidelines for Publicly-Listed Companies ("PLCs"), there is a three-year period under which PLCs can comply, which includes the adoption of the TCFD reporting template.

As a validation to AboitizPower's ESG commitment to risk and crisis management, in the 2024 S&P Global Corporate Sustainability Assessment, AboitizPower was ranked eleventh in the global ranking for risk and crisis management performance among 261 rated global companies, ranked fourth in Asia-Pacific and highest ranked among rated Philippine companies within the same industry. Good risk management is one of the ways AboitizPower is supporting its ESG performance in particular in the area of governance.

Country Concentration

AboitizPower remains committed to sustainable growth and operational resilience by proactively managing risks associated with geographic concentration. While venturing into new territory presents uncertainties and challenges such as unfamiliar business, cultural, and regulatory landscape, AboitizPower views this as an opportunity to enhance its strategic capabilities and explore new avenues for expansion. By integrating international diversification into its core strategy, AP ensures business continuity, risk resilience, and sustainable expansion, reinforcing its position as a leading energy provider with a robust and adaptable business model.

Regulatory

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

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

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

For renewable assets, pricing is fixed by regulatory arrangements which operate instead of, or in addition to, contractual arrangements. To the extent that operating costs rise above the level approved in the tariff, the Business Units that are subject to regulated tariffs would bear the risk. During the life of a project, the relevant government authority may unilaterally impose additional restrictions on the project's tariff rates, subject to the regulatory frameworks applicable in each jurisdiction. Future tariffs may not permit the project to maintain current operating margins, which could have a material adverse effect on the Business Unit or the Group, financial condition, results of operations and prospects. Withholding of adjustment in feed-in-tariff rates and other fiscal incentives for qualified plants under the portfolio of AboitizPower are risks that are being monitored and addressed through active Stakeholder engagement with similarly situated developers and the ERC.

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

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

Operations

The loss of, and/or damage to, facilities caused by natural calamities such as earthquakes, typhoons, and floods may result in significant business interruptions within AboitizPower. Interruptions may also be caused by other factors such as critical equipment breakdown, Information Technology ("IT") and OT security breaches, fires and explosions, hazardous waste spills, workplace injuries and fatalities, terrorism, and other serious risks.

Planned maintenance and overall outage management of AboitizPower's generation facilities and its critical equipment and OT infrastructure and systems are governed by asset management standards based on global best practices. Threats to generation and machinery breakdown risk management plans are continually monitored and updated by operations and maintenance teams to effectively mitigate the impact of unplanned or forced outages Distribution network availability and reliability targets have consistently been aligned with the performance-based standards set by the ERC.

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

The Business Units at AboitizPower regularly undertake a comprehensive development, review, updating, implementation, testing, and improvement of their Business Continuity Plans ("BCP"). This dynamic approach ensures that the plans remain relevant to current business conditions and effectively address the uncertainties and challenges faced by the Company. Some of these key enhancements include: (a) site-specific threat assessment; (b) typhoon preparedness; (c) regular emergency drills and simulation exercises on various scenarios related to other natural and man-made calamities; and (d) post-event evaluations to ensure that employees are able to respond effectively and safely as planned.

As part of its continuous improvement efforts, AboitizPower is exploring the expansion of business continuity strategies on a geographic regional scale. This approach seeks to enhance coordination among several plants, fostering a more synchronized and efficient response to potential disruptions as aligned to the DOE Energy Resilience Plan.

Furthermore, to elevate the existing BCM framework and practices, AboitizPower has transitioned from a scenario-based approach to an impact-based approach. This shift aims to achieve organizational resilience by prioritizing the understanding and management of potential impacts on the business, ensuring a more comprehensive, adaptive and robust response to a variety of disruptive events.

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

Transmission

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

To mitigate curtailment risks, AboitizPower aligns its project development timelines with the DOE-approved Transmission Development Plan ("**TDP**"), ensuring that new generation projects are strategically positioned in areas where grid capacity is planned for expansion. The company actively advocates for the implementation of third-party transmission development, supporting government initiatives to accelerate critical infrastructure projects. Further, AboitizPower works closely with NGCP to enhance SIPS protocols, strengthening grid reliability. By fostering strong collaboration with regulators and grid operators, AboitizPower is committed to ensuring grid stability, minimizing generation curtailment, and optimizing the efficiency of its power assets.

Cyber and Information Security

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

In 2024, AboitizPower took significant steps to enhance its protection protocols, aiming to secure both its Operational Technology ("OT") and IT environments from potential cyber threats. Specifically, within the realm of Operational Technology, the Power Generation and Distribution Utilities Business Groups of the Company have finalized the implementation of a standardized, Company-wide OT Security Minimum Standard. These initiatives reflect a dedicated effort to establish consistent and robust security measures across the organization's OT infrastructure.

AboitizPower aligns with the Aboitiz Group-wide Cyber Security Program, specific governance frameworks, standards, training and culture-building, and OT Security projects. Its Information Security Management System ("ISMS") remains a central component of AboitizPower's Cybersecurity strategy and will continue to be embedded in all three fundamental pillars of Information and Operational Systems Security, namely, People, Process, and Technology. By embedding cybersecurity principles within these pillars, AboitizPower aims to fortify its defenses and ensure a holistic and resilient cybersecurity framework.

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

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

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

To further enhance its cybersecurity resilience, AboitizPower has developed a Cyber Incident Response Playbook to ensure a structured and swift response to cyber incidents. A security awareness program has been launched to improve staff readiness, supported by the deployment of a Third-Party Risk Assessment Platform to assess vendor and partner security vulnerabilities. Initiatives to improve Asset Discovery and Visibility are also being strengthened to enhance monitoring and control over IT and OT assets. The hardening of cloud infrastructure and operating systems further enhances system resilience, while continuous threat detection systems actively monitor for malicious activity.

AboitizPower has also improved its Managed Detection and Response (“**MDR**”) services to enhance threat response capabilities. Security audits and penetration testing are regularly conducted to proactively identify and address security gaps.

Cyber and Information Security risks will remain a critical item in the agenda of the Board Risk Committee in years to come. This strategic focus underscores the organization’s proactive stance in managing and mitigating risks associated with digitization and information security.

Supply Chain

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

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

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

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

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

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

Reputation

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

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

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

The Company's recent Corporate Sustainability Assessment by the highly regarded S&P Global has shown a slight improvement in AboitizPower's ESG performance. The Company's score decreased from 51 in 2023 to 50 in the 2024 assessment, which brings the Company to the 75th percentile ranking in its global peer group.

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

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

Talent

AboitizPower gears for further growth by shifting towards renewable energy sources and increasing its presence in the international market, while ensuring the availability and reliability of existing power plants. Both growth and operational excellence thrusts demand for organic subject matter experts of critical assets.

The risk on availability, readiness, and retention of talents for critical posts is inevitably increasing. Thus, talent attraction, optimization, and retention strategies are of utmost importance. In 2023, AboitizPower continued to heighten efforts in ensuring talent supply meets talent demand by utilizing strategic workforce planning process, in particular:

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

AboitizPower integrated the Strategic and Operational Workforce Planning into the Organizational Planning processes to enable the identification of current and future talent needs. This helped shape the people strategy of AboitizPower to be able to increase workers engagement and remain competitive in the job market reshaped by the COVID-19 pandemic.

Emerging Risks

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

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

For AboitizPower, one such major risk is that of extreme weather events As the Company expands its renewables portfolio in the Philippines, extreme weather events - typhoons, heavy rainfall, and droughts - pose risks to infrastructure, project timelines, and energy generation. Typhoons may damage assets and increase maintenance costs, while droughts can impact hydropower generation. To mitigate these risks, AboitizPower integrates climate resilience into site selection, engineering, and asset management. This includes structural reinforcements, geophysical and location evaluations and a diversified energy mix. By prioritizing resilience, AboitizPower safeguards investments and ensures reliable, sustainable energy for the Philippines.

While the Company has recognized that the availability of insurance and long-term financing for coal plants has become more and more challenging, these are being addressed by an overall sustainability strategy that is manifested by its portfolio mix moving towards sustainable energy sources over the long term. Active engagements with stakeholders to clarify AboitizPower's ESG strategy are undertaken to clarify the Company's positions and plans to achieve its sustainability goals in the context of the Philippine energy and growth plans. The market for fuel, particularly coal, is also being actively monitored as currently there are a lot of risk drivers that are starting to emerge that are coming from sustainability policies and dynamic domestic and international trade policies.

Disruptive and new technology are likewise emerging risks the Company continues to monitor. Among others, the battery storage and the digitization or internet of things are potential transformers of the power business. Energy storage could play a wider role in the global energy markets moving from limited uses to displacing power generation due to its potential for reliability, quality, and its capability for renewables integration. The internet of things has the potential to significantly transform the power sector by optimizing operations, managing asset performance. Other technologies are expected to impact power generation and transmission segments. The Company sees these technologies both as threats and opportunities.

Another emerging risk in the Company's risk radar is geoeconomic confrontations and geopolitical tensions in the Southeast and East Asian region and key supply chain hubs which pose risks to equipment procurement, project timelines, and cost stability. Disruptions in the global trade of critical components—such as solar panels, wind turbines, and battery storage—may lead to delays and increased costs for AboitizPower. To mitigate these risks, AboitizPower diversifies its suppliers, strengthens local partnerships, and explores alternative sourcing strategies. By enhancing supply chain resilience, AboitizPower safeguards project continuity and ensures the steady growth of its renewable energy capacity.

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

RISKS RELATED TO THE PHILIPPINES

A slowdown in the Philippines' economic growth could adversely affect the Company

Historically, results of operations have been influenced, and will continue to be influenced, to a significant degree by the general state of the Philippine economy, with demand for power historically being tied to the level of economic activity in the Philippines. As a result, the Company's income and results of operations depend, to a significant extent, on the performance of the Philippine economy. In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Philippine Peso, and the imposition of exchange controls.

From mid-1997 to 1999, the economic crisis in Asia adversely affected the Philippine economy, causing a significant depreciation of the Philippine Peso, increases in interest rates, increased volatility and the downgrading of the Philippine local currency rating and the ratings outlook for the Philippine banking sector. These factors had a material adverse impact on the ability of many Philippine companies to meet their debt-servicing obligations. Over the last several years, the Philippine government instituted several reforms in the fiscal and banking sectors, among others, that strengthened the country's economic fundamentals.

In 2018 and 2019, the Philippine GDP grew by 6.2% and 5.9%, respectively. As identified in the Philippine Development Plan 2017-2022, Philippine GDP growth is expected to strengthen at 7% to 8% in the medium term, making the Philippines one of the fastest growing economies of the ASEAN region. However, the Philippines is currently experiencing an economic downturn following the Taal volcano eruption in January and the COVID-19 pandemic and the resultant quarantine restrictions. The country's GDP contracted resulting into a 9.6% decline in GDP when quarantine restrictions continued in many areas and economic activities were constrained. However, the country subsequently exhibited signs of recovery and recorded GDP growth rates of 7.6% and 5.6% in 2022 and 2023, respectively.

Any deterioration in the Philippine economy may adversely affect consumer sentiment and lead to a reduction in demand for the Company's products. There is no assurance that current or future government administrations will adopt economic policies conducive to sustaining economic growth.

Inflation remained a key concern, peaking at 8.7% in early 2023 before gradually declining with monetary tightening measures implemented by the Bangko Sentral ng Pilipinas (BSP). The Philippine Peso also experienced volatility, fluctuating between ₱55 to ₱57 per USD in 2024, affecting import costs and business profitability.

As of early 2025, economic forecasts predict GDP growth within the range of 5.5% to 6%, with the Philippine government focusing on infrastructure spending, energy security, and digitalization to drive economic expansion. However, inflationary risks, elevated interest rates, and geopolitical tensions in the South China Sea could dampen economic momentum. The Philippine government continues to implement fiscal and monetary policies aimed at stabilizing inflation and fostering business growth, but risks to economic stability persist.

The sovereign credit ratings of the Philippines also directly affect companies that are residents in the Philippines, including AboitizPower. The Philippines enjoys investment grade credit ratings from the following major agencies:

- Fitch Ratings - BBB (stable) as of January 2025, reflecting improved fiscal management but ongoing risks related to external debt.
- Standard & Poor's - BBB+ (positive), reaffirmed in late 2024.
- Moody's Investors Service - Baa2 (stable), reaffirmed in January 2025.

There is no assurance that Fitch Ratings, Standard & Poor's, or Moody's or any other international credit rating agency will not downgrade the credit ratings of the Philippine government in the future and, therefore, Philippine companies. Any such downgrade could have an adverse impact on the liquidity in the Philippine financial markets, the ability of the government and Philippine companies, including AboitizPower, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

Historically, the demand for power has shown an increasing trend. This has been the case despite the volatility in the economic, financial, and political conditions of the country. It may be attributable to the inelasticity of electricity at certain levels wherein essential appliances and industries need to operate. Population growth, urbanization, and remittances from overseas workers continue to support long-term electricity demand. However, rising electricity costs, regulatory uncertainties, and geopolitical risks in the energy sector could affect long-term growth.

While the Philippine economy has rebounded from the impact of COVID-19, the government continues to navigate challenges such as inflationary pressures, geopolitical tensions, and global economic slowdowns. Post-pandemic recovery efforts have included monetary policy adjustments by the Bangko Sentral ng Pilipinas ("**BSP**") to stabilize inflation and ensure financial market stability. Additionally, the government has focused on infrastructure spending, energy security, and digital transformation initiatives to promote long-term economic resilience. However, external risks, including rising global interest rates and supply chain disruptions, remain potential hurdles to sustained economic growth.

Any political instability in the Philippines may adversely affect the Company

The Philippines has from time to time experienced political, social, and military instability. In the past decade, there has been political instability in the Philippines, including alleged extrajudicial killings, alleged electoral fraud, impeachment proceedings against two former presidents, the removal of two chief justices of the Supreme Court of the Philippines, hearings on graft and corruption issues against various officials of the Government, and public and military protests arising from alleged misconduct by previous administrations. An unstable political environment may also arise from the imposition of emergency executive rule, martial law or widespread popular demonstrations or rioting.

There can be no assurance that acts of political violence will not occur in the future and any such events could negatively impact the Philippine economy. Likewise, no assurance can be given that the future political or social environment in the Philippines will be stable.

In July 2020, the application for franchise renewal of ABS-CBN was denied by the House Committee on Legislative Franchises. ABS-CBN repeatedly applied for the renewal of their congressional franchise since 2014 but these remained pending in the House of Representatives until its congressional franchise expired in May 2020 and the network was ordered to cease and desist from operating all of its free TV and radio broadcasting. Various advocacy groups and the international press have labeled the franchise denial as a direct attack to press freedom and Philippine democracy. The franchise denial has resulted in the closure of some of ABS-CBN's business operations and the retrenchment of thousands of workers. There is no assurance that any political instability will affect any governmental and regulatory processes and that opposition from public officials will not affect the Company and its operations.

The Philippine general elections for national and local officials took place on May 9, 2022 with Ferdinand Marcos, Jr. being proclaimed president and Sara Duterte being proclaimed vice-president. There is no assurance that current or future Government administrations will adopt economic policies conducive to sustaining economic growth.

Since the 2022 Philippine general elections, there have been public disagreements between the incumbent president, Ferdinand Marcos, Jr. and the vice president, Sara Duterte. Duterte resigned as Secretary of Education in June 2024, a post she held following her appointment by President Marcos. The Vice President has since alleged that threats have been made against her life, attributing them to the present government. On March 11, 2025, the Philippine National Police ("PNP") implemented the arrest warrant issued by the International Criminal Court ("ICC") and arrested Former President Rodrigo Duterte in connection with the ICC charge against him for crimes against humanity in relation to killings in the "war on drugs". After his arrest, the Philippine government turned over custody of Duterte to the ICC in The Hague. As of the date of this Prospectus, Rodrigo Duterte awaits trial in The Hague.

In general, political or social instability in the Philippines could negatively affect the general economic conditions and business environment in the Philippines, which could have a material adverse effect on the business, operations, and financial position of the Company. The Company may be affected by political and social developments in the Philippines, changes in the political leadership, and shifts in government policies. In addition, perceptions over human rights and geopolitical issues may affect the overall sentiment on the Philippines and the business environment.

The results of the 2025 midterm elections and the evolving political landscape are expected to heighten political tension, which may result in election-related violence, regulatory uncertainties, and market volatility.

Heightened volatility and uncertainties in global market conditions could adversely affect the Company's business, financial condition, and results of operations.

Global markets have experienced, and may continue to experience, significant dislocation and turbulence due to economic and political instability in several areas of the world. Persistent structural challenges and geopolitical uncertainties underscored the vulnerabilities in the global economic system. These ongoing global economic conditions have led to significant volatility in capital markets around the world, including Asia, and further volatility could significantly impact investor risk appetite and capital flows into emerging markets including the Philippines.

On February 24, 2022, Russia launched a full-scale invasion of Ukraine that is resulting in massive humanitarian casualties from both sides, especially Ukraine, and in destruction of infrastructure, roads, and physical properties in Ukrainian cities and in the Crimean region which was annexed by Russia since 2014. Trade and supply chain disruptions continue to cause political and economic tensions amongst member nations of the European Union, in the U.S. and, to some extent, in some Asian and African countries.

The ongoing Ukraine-Russia war has sparked energy and food price shocks globally, particularly in European countries as they were heavily dependent on oil and gas from Russia and in some African and Asian countries that were dependent on staples such as wheat and sunflower oil from Ukraine. The war has increased concerns relating to energy security and climate change, geopolitical tensions between Russia-NATO and China-Taiwan, and shifts in global structures and relationships, particularly among major superpowers such as the US, Europe, China. Following accumulated shocks from the pandemic and the war, most economies have seen rising sovereign debt levels and declining credit quality, and the number of sovereigns in default has increased. Exports also fell as the trend towards regionalization and global fragmentation continued.

The assumption into office of President Donald Trump in 2025 may have profound implications for the global economy and financial markets, with potential shifts in trade policies, tax regulations, and geopolitical stability. Economic policy changes will influence global supply chains and investment patterns, while adjustments in US monetary and regulatory frameworks will affect global capital flows and market stability.

Renewed “America First” policies may heighten trade tensions, shift the global balance of power and introduce fresh uncertainty into international markets. Consequently, policymakers worldwide will be compelled to navigate an increasingly complex economic environment, balancing domestic pressures with the imperatives of global cooperation and resilience. Escalating geopolitical tensions, particularly between the United States and China and other global trade partners, may aggravate disruption in global trade flows and dampen investor confidence. More severe tariffs and tighter controls on tech exports have compounded these challenges. Even though some supply chain issues have eased, persistent vulnerabilities in critical sectors like semiconductors continue to expose the inherent fragility of global manufacturing networks. As a result, the recovery has been uneven—with high-tech industries displaying some robustness, while traditional sectors such as automotive and heavy machinery still grapple with ongoing disruptions and higher input costs.

These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets, which could in turn depress economic activity and have a ripple effect across sovereign states and the private sector in Europe and the rest of the world and possibly lead to a global economic crisis. These uncertainties and other future events related to this conflict could continue to adversely impact the political and monetary policies of major economies, which in turn could have a negative impact on the Philippine market.

Territorial disputes involving the Philippines and its neighboring countries may adversely affect its economy and business environment

Competing and overlapping territorial claims by the Philippines, China, and several Southeast Asian nations (such as Vietnam, Brunei, Malaysia) over certain islands and features in the West Philippine Sea (South China Sea) have for decades been a source of tension and conflicts. The West Philippine Sea covers more than three million square kilometers in terms of area and is home to some of the biggest coral reefs of the world. It is also believed that under the seabed lies vast unexploited oil and natural gas deposits. China claims historic rights to nearly all of the West Philippine Sea based on its so-called “nine-dash line” and in recent years dramatically expanded its military presence in the sea which has raised tensions in the region among the claimant countries. In 2013, the Philippines became the first claimant country to file a case before the Permanent Court of Arbitration, the international arbitration tribunal based at The Hague, Netherlands to legally challenge claims of China in the West Philippine Sea and to resolve the dispute under the principles of international law as provided for under the United Nations Convention on the Law of the Sea ("**UNCLOS**"). In July 2016, the tribunal rendered a decision stating that "as between the Philippines and China, Mischief Reef and Second Thomas Shoal (in the West Philippine Sea/South China Sea) form part of the exclusive economic zone and continental shelf of the Philippines" and that the "nine-dash line" claim of China is invalid. China rejected the ruling, saying that it did not participate in the proceedings for the reason that the court had no jurisdiction over the case. China was reported to conduct land reclamation activities in the disputed territories, which was completed in 2016. News reports indicate increased Chinese activity in the contested waters, including the installation of missile systems and the deployment of bomber planes. Several countries have conducted Freedom of Navigation operations in the contested waters to challenge China's militarization of artificial features in the West Philippine Sea. Any such impact from these disputes could adversely affect the Philippine economy, and materially and adversely affect the Company's business, financial position and results of operations.

In 2024 and early 2025, tensions escalated further as China increased its maritime patrols and aggressive maneuvers against Philippine vessels near Second Thomas Shoal, Scarborough Shoal, and other disputed areas. Reports indicate that Chinese coast guard and maritime militia vessels have used water cannons and dangerous maneuvers against Philippine ships, leading to diplomatic protests and heightened security concerns.

The Philippines has strengthened its alliances with the United States, Japan, and Australia to counterbalance China's assertiveness, leading to joint military exercises and expanded defense cooperation agreements. While these alliances provide some deterrence, the ongoing territorial disputes pose risks to trade, investment, and regional stability.

There is no guarantee that the territorial dispute between the Philippines and other countries, including China, would end or that any existing tension will not escalate further, as China has repeatedly announced that it will not honor said ruling. In such an event, the Philippine economy may be disrupted and its business and financial standing may be adversely affected.

<u>RISKS RELATED TO THE OFFER</u>

Liquidity Risk

The Philippine securities markets are substantially smaller, less liquid, and more concentrated than major global securities markets. As such, the Company cannot guarantee that the market for the First Tranche Bonds will always be active or liquid. Even if the First Tranche Bonds are listed on the PDEx, trading in securities such as the First Tranche Bonds, may sometimes be subject to extreme volatility in response to interest rates, developments in local and international capital markets and the overall market for debt securities and other factors. There is no assurance that the First Tranche Bonds may be disposed of at prices, volumes, or at times deemed appropriate by the Bondholders.

Reinvestment Risk

Prior to the relevant Maturity Dates, the Issuer shall have the option, but not the obligation, to redeem in whole (and not in part), any series of the outstanding First Tranche Bonds on the relevant Early Redemption Dates (see "*Description of The Offer – Early Redemption*" on page 64 of this Prospectus). In the event that the Company exercises this early redemption option, the relevant series of the First Tranche Bonds will be redeemed and the Company would pay the amounts to which Bondholders would be entitled. Following such redemption and payment, there can be no assurance that investors in the redeemed First Tranche Bonds will be able to re-invest such amounts in securities that would offer a comparative or better yield or terms, at such time.

Pricing Risk

The market value of bonds moves (either up or down) depending on the change in interest rates. The First Tranche Bonds when sold in the secondary market are worth more if interest rates decrease since the First Tranche Bonds have a higher interest rate relative to the market. Conversely, if the prevailing interest rate increases, the First Tranche Bonds are worth less when sold in the secondary market. Therefore, an investor faces possible loss if he decides to sell when the prevailing interest rate has increased.

Retention of Ratings Risk

There is no assurance that the rating of the First Tranche Bonds will be retained throughout the life of the First Tranche Bonds. The rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigned rating organization.

Suitability of Investment

Each Prospective Bondholder of the First Tranche Bonds must determine the suitability of that investment in the context of its own distinct circumstances. In particular, each Prospective Bondholder should: (i) have sufficient knowledge and experience to make a satisfactory evaluation of the First Tranche Bonds, the merits and risks of investing in the First Tranche Bonds, and the information contained in this Prospectus; (ii) have access to, and knowledge of, relevant analytical tools to evaluate, in the context of its particular financial situation, an investment in the First Tranche Bonds and the impact the First Tranche Bonds will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the First Tranche Bonds, including where the currency for principal or interest payments is different from the potential investor's currency; (iv) understand thoroughly the terms of the First Tranche Bonds and be familiar with the behavior of any relevant financial markets; and (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, forex rate, and other factors that may affect its investment and its ability to bear the applicable risks.

The First Tranche Bonds have no preference under Article 2244 (14) of the Civil Code

The Master Certificates of Indebtedness, which represent the First Tranche Bonds, shall not be notarized and, thus, will not be deemed a public instrument under Article 2244 (14) of the Civil Code. As such, the First Tranche Bonds shall not enjoy preference under Article 2244 (14) of the Civil Code, unless the Issuer procures a waiver of the preference created by such notarization or equally and ratably extends such preference to the First Tranche Bonds. This is consistent with the status of the First Tranche Bonds as being direct, unconditional, unsecured, and unsubordinated Philippine Peso-denominated obligations of the Issuer.

RECENT DEVELOPMENTS

Board Resignations

On March 26, 2025, Mr. Edwin R. Bautista resigned as a member of the Board of Directors of AboitizPower. As of date, his position on the Board remains vacant.

Amendment of business address in Articles of Incorporation and By-Laws

On March 25, 2025, the Board of Directors approved the amendment of its By-laws to change its principal business address from 32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines to Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City, 1226 Metro Manila, Philippines. This follows the approval of the Board of Directors on January 27, 2025 for the amendment of the Articles of Incorporation to reflect the change of address. The amendment to AboitizPower's Articles of Incorporation and By-laws will be presented for approval during the Annual Stockholders' Meeting on April 28, 2025.

Dividend Declaration

On March 6, 2025, the Board of Directors of AboitizPower declared cash dividends in the amount of ₱2.35 per share to be paid from the unrestricted retained earnings as of December 31, 2024. The cash dividends were made payable on March 28, 2025.

Change in Chief Audit Executive

At its meeting on February 25, 2025, the Board of Directors approved the change in AboitizPower's Chief Audit Executive from Mr. Juan Pascual C. Cosare to Mr. Mark Angelou E. Dingsalan.

Decommissioning of TPVI's 44.640 MW Naga Oil-Fired Power Plant

In February 2025, Therma Power Visayas, Inc. ("**TPVI**"), received a Letter of Confirmation ("**LOC**") from the Department of Energy ("**DOE**") for the decommissioning of TPVI's 44.640 MW Naga Oil-Fired Power Plant and 0.440 MW Black Start Diesel Engine Generating Unit located at the Naga Power Plant Complex in Barangay Colon, Naga City, Cebu, effective March 31, 2025. The decommissioning was pursued in view of the technical and operational issues of the plant caused mainly by the advanced age of the diesel engines.

SNAP financing for BESS Project

On February 17, 2025, SN Aboitiz Power Group ("**SNAP**") secured financing for the expansion of its Battery Energy Storage Systems ("**BESS**") from the Bank of the Philippine Islands ("**BPI**"), China Banking Corporation ("**Chinabank**"), and Banco de Oro Unibank, Inc. ("**BDO**").

The BESS projects will be co-located with the Magat Hydroelectric Power Plant in Isabela and the Binga hydroelectric plant in Benguet. At a ceremonial signing held on February 17, 2025, BPI and Chinabank are set to finance the 16-MW Magat BESS Phase 2, while BPI and BDO will provide financing for the 40-MW Binga BESS.

SNAP's upcoming BESS projects are expected to be completed by 2026. The engineering, procurement, and construction contracts for both Magat BESS Phase 2 and Binga BESS have been awarded to GEDI China Energy, a subsidiary of China Energy Engineering Group.

Co-Investment of TNGP with MGen and SMGP

On January 27, 2025, TNGP completed its co-investment transaction with MGen and SMGP in SPPC, EERI, and IPIEC.

The transaction involves:

a. CGHI's acquisition of a 67% equity interest in SPPC, EERI, and IPIEC; and
b. CGHI and SMGP's joint acquisition of approximately 100% of Linseed Field Corp. ("**LFC**"), which operates the LNG terminal in Batangas City.

As a result of these acquisitions, MGen and TNGP, through their 60-40 stakes in CGHI (respectively), own 67% of SPPC, EERI, and IPIEC, while SMGP retains a 33% stake in these entities and gains a corresponding interest in LFC. The PCC approved the transaction on December 23, 2024.

Transfer of Shares in CEDI to ARI

On January 10, 2025, ARI reached an agreement with Mainstream for the transfer of Mainstream's shares in Cornerstone Energy Development Inc. ("**CEDI**"), through a Share Purchase Agreement, in favor of ARI.

USE OF PROCEEDS

The Issue Price shall be at par, which is equal to the face value of the Series A Bonds, Series B Bonds, and Series C Bonds. AboitizPower expects that the net proceeds of the First Tranche Bonds shall amount to approximately ₱19,751,237,345.00 for an issue size of up to ₱20,000,000,000.00 or, assuming full exercise of the Oversubscription Option, ₱29,636,609,345.00 for an issue size of up to ₱30,000,000,000.00, in each case after deducting fees, commissions and expenses.

Based on an issue size of up to [₱20,000,000,000.00]

Documentary Stamp Tax	150,000,000.00
Issue Management and Underwriting Fees[1]	75,000,000.00
Legal and Other Professional Fees[2]	10,620,000.00
SEC Registration Fee and Legal Research Fee	8,143,155.00
Credit Rating Fees	[4,256,000.00]
Other Expenses[3]	[743,500.00]
Estimated net proceeds of the Issue	**[19,751,237,345.00]**

[1]The GRT on such fees shall be for the account of the recipient thereof; for purposes of illustration, the maximum fees that the Joint Lead Underwriters and Joint Bookrunners may receive have been assumed.
[2]Consists of Issuer's counsel's legal fees amounting to ₱2,500,000.00 and audit fees amounting to ₱[8,120,000.00] inclusive of VAT.
[3]These pertain to projected out-of-pocket expenses related to the Offer and include, but are not limited to, the cost of PDEx Listing (₱[336,000.00]), Trustee Fee (₱[150,000.00]), Registry Account Opening Fee (₱[187,500.00]), and listing ceremony expenses (₱[70,000.00]).

Based on an issue size of up to [₱30,000,000,000.00] (assuming the full exercise of the Oversubscription Option)

Documentary Stamp Tax	225,000,000.00
Issue Management and Underwriting Fees[1]	112,500,000.00
Legal and Other Professional Fees[2]	10,620,000.00
SEC Registration Fee and Legal Research Fee	8,143,155.00
Credit Rating Fees	[6,384,000.00]
Other Expenses[3]	[743,500.00]
Estimated net proceeds of the Issue	[**29,636,609,345.00]**

[1]The GRT on such fees shall be for the account of the recipient thereof; for purposes of illustration, the maximum fees that the Joint Lead Underwriters and Joint Bookrunners may receive have been assumed.
[2]Consists of Issuer's counsel's legal fees amounting to ₱2,500,000.00 and audit fees amounting to ₱[8,120,000.00] inclusive of VAT.
[3]These pertain to projected out-of-pocket expenses related to the Offer and include, but are not limited to, the cost of PDEx Listing (₱[336,000.00]), Trustee Fee (₱[150,000.00]), Registry Account Opening Fee (₱[187,500.00]), and listing ceremony expenses (₱[70,000.00]).

Aside from the foregoing one-time costs, AboitizPower expects the following annual expenses related to the First Tranche Bonds:

1. The Issuer will be charged an annual maintenance fee of ₱[450,000.00], with the first payment to be paid in advance upon the approval of the Listing;

2. The Issuer will pay a yearly retainer fee to the Trustee amounting to ₱[180,000.00];

3. After the issuance of the First Tranche Bonds, a Paying Agency fee amounting to of ₱[225,000.00] is payable every Interest Payment Date. The Registrar will charge a monthly maintenance fee based on the face value of the First Tranche Bonds and the number of Bondholders; and

4. The Issuer will pay an annual monitoring fee to PhilRatings amounting to ₱[250,000] (VAT inclusive) for the monitoring of the First Tranche Bonds. PhilRatings will only start charging the annual monitoring fee for the First Tranche Bonds when the Company has redeemed all of its previously outstanding bonds.

The allocation of the net proceeds of the Offer, amounting to ₱ 19,751,237,345.00, assuming an issue size of ₱20,000,000,000.00, or ₱29,636,609,345.00, assuming the full exercise of the Oversubscription Option will be used (1) to refinance the Issuer's 2020 Series F Bonds and 2021 Series B Bonds, and the early redemption of the Issuer's 2018 Series C Bonds, and (2) to partially refinance the short-term loans related to Project Chromite in the following amounts:

Use of Proceeds	**Amount**	**Timing of Disbursement**
Base Offer		
To refinance the Issuer's 2020 Series F Bonds	₱0.55 billion	3Q 2025
To refinance the Issuer's 2021 Series B Bonds	₱4.80 billion	4Q 2025
Early redemption of the Issuer's 2018 Series C Bonds	₱2.55 billion	4Q 2025
To partially refinance the short-term loans related to Project Chromite	₱11.85 billion	[3Q 2025]
Total	₱19.75 billion	

Oversubscription Option is Fully Exercised		
To refinance the Issuer's 2020 Series F Bonds	₱0.55 billion	3Q 2025
To refinance the Issuer's 2021 Series B Bonds	₱4.80 billion	4Q 2025
Early redemption of the Issuer's 2018 Series C Bonds	₱2.55 billion	4Q 2025
To partially refinance the short-term loans related to Project Chromite.	₱21.74 billion	[3Q 2025]
Total	₱29.64 billion	

Refinance the 2020 Series F Bonds

On July 6, 2020, AboitizPower issued the 2020 Series F Bonds in the principal amount of ₱550,000,000.00 with an interest rate of 3.935% p.a. and a term of five (5) years from the issue date. AboitizPower will use a short-term loan of ₱550,000,000.00 with an interest rate of 5.10-5.50% from BDO to fund the redemption of the 2020 Series F Bonds maturing on July 6, 2025 with payment of the short-term loan due on or before the same date. AboitizPower then plans to use approximately ₱550,000,000.00 of the net proceeds from the Offer to repay the short-term loan used to fund the redemption of the 2020 Series F Bonds.

Refinance the 2021 Series B Bonds

On December 2, 2021, AboitizPower issued the 2021 Series B Bonds in the principal amount of ₱4,800,000,000.00 with an interest rate of 3.9992% p.a. and a term of four (4) years from issue date. AboitizPower plans to use approximately ₱4,800,000,000.00 of the net proceeds from the Offer to fund the redemption of the 2021 Series B Bonds, which will mature on December 2, 2025. AboitizPower will use internally generated funds to finance the fixed interest payments on the redeemed 2021 Series B Bonds.

Early Redemption of the 2018 Series C Bonds

On October 25, 2018, AboitizPower issued the 2018 Series C Bonds with an interest rate of 8.5091% p.a. and a term of ten (10) years from issue date in the aggregate amount of ₱2,500,000,000.00, which will mature in 2028. AboitizPower has the option to redeem in whole the 2018 Series C Bonds (the "**2018 Series C Early Redemption Option**") seven (7) years from its issue date (the "**2018 Series C Optional Redemption Date**"). The amount payable to the bondholders thereof upon the exercise of the 2018 Series C Early Redemption Option by the Issuer shall be calculated based on the principal amount of the 2018 Series B Bonds being redeemed as the aggregate of the: (i) accrued interest computed from the last interest payment date up to the 2018 Series C Optional Redemption Date; and (ii) the product of the principal amount (total outstanding principal amount of the 2018 Series C Bonds) and an optional redemption price of 102.00%. AboitizPower plans to use approximately ₱2,550,000,000.00 of the net proceeds from the Offer to fund the 2018 Series C Early Redemption Option, which amount is estimated to cover the difference between the face value and the optional redemption rate.

Partially Refinance Short-term Loans Related to the Acquisition of Chromite Gas Holdings, Inc.

On January 27, 2025, AboitizPower, indirectly through its wholly owned subsidiary, Therma NatGas Power Inc. ("**TNGP**"),, acquired a 40% equity interest in Chromite Gas Holdings, Inc. ("**CGHI**"). With TNGP's investment, CGHI is 60% and 40% legally and beneficially owned by MGen and TNGP, respectively.

The transaction involved: a.) CGHI's acquisition of a 67% equity interest in South Premier Power Corp. ("**SPPC**"), Excellent Energy Resources, Inc. ("**EERI**"), and Ilijan Primeline Industrial Estate Corp. ("**IPIEC**") and b.) CGHI and San Miguel Global Power Holdings Corp. ("**SMGP**") joint acquisition of approximately 100% of Linseed Field Corp., which operates the LNG Terminal in Batangas City.

The Issuer raised ₱29 billion from the following short-term loans to partially fund the acquisition:

Lending Bank	Loan Amount	Interest Rate	Payment Date/s
MBTC	₱14,000,000,000.00	5.15%	June 20, 2025
BDO	₱15,000,000,000.00	5.10%	June 20, 2025

AboitizPower plans to use approximately ₱11.85 million (or ₱21.74 million if the oversubscription option is fully exercised) of the net proceeds from the Offer to partially pay the short-term loans used to fund the acquisition. AboitizPower will use internally generated funds and/or available credit facilities to fund the remainder of the short-term loan amounts. APC anticipates that TNGP will later return such equity infusion to it by way of dividends.

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the Company's current plans and anticipated expenditures. In the event there is any change in the Company's current plans, including force majeure, market conditions and other circumstances, the Company will carefully evaluate the situation and may reallocate the proceeds at the discretion of Management. In the event of any material deviation, reallocation or adjustment in the planned use of proceeds, the Company shall inform the SEC and issue all appropriate disclosures within thirty (30) days prior to its implementation. Any material or substantial adjustment to the use of proceeds, as indicated above, shall be approved by the Board and shall be publicly disclosed through the SEC, the PSE, and the PDEx.

Pending the above use of proceeds, the Company shall invest the net proceeds from the Offer in short-term liquid investments including but not limited to short-term government securities, bank deposits, and money market placements which are expected to earn at prevailing market rates.

In the event that the Company is not able to raise the full amount of the Offer, the Company shall use internally generated funds and/or available bank lines to the extent the proceeds of the Offer are insufficient to fund the aforementioned use of proceeds. If the oversubscription option is fully exercised, the total proceeds will increase to ₱29.59 billion, with additional ₱9.89 billion allocated entirely to short-term loans with BDO and MBTC.

No amount of proceeds shall be used to reimburse any officer, director, employee, or stockholder for services rendered, assets previously transferred, money loaned or advanced, or otherwise. Except for the underwriting fees, issue management fees and expenses related to the First Tranche Bonds, no amount of the proceeds will be utilized to pay any outstanding financial obligation to the Joint Lead Underwriters and Joint Bookrunners.

DETERMINATION OF THE OFFER PRICE

The First Tranche Bonds shall be issued at par or 100% of the principal amount or face value.

The interest rate per annum of the Series A Bonds [will be] computed based on sum of (a) the simple average of the two (2)-year PHP BVAL Reference Rate (or if the applicable BVAL is not available or cannot be determined, any such successor rate as determined by the Bankers Association of the Philippines ("**BAP**") or the Bangko Sentral ng Pilipinas ("**BSP**"), as published on the website of the Philippine Dealing System ("**PDS**") Group page or, if unavailable, the PDEx (or such successor page) of Bloomberg (or such successor website or page of the publication agent or electronic service provider) at approximately 5:00 p.m. (Philippine Standard Time), for the three (3) consecutive Banking Days immediately preceding inclusive of the Interest Rate Setting Date, and (b) the spread [to be] determined via a bookbuilding process.

The interest rate per annum of the Series B Bonds [will be] computed based on the simple average of the five (5)-year PHP BVAL Reference Rate (or if the applicable BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or BSP, as published on the website of the Philippine Dealing System Group page (or such successor page) of Bloomberg (or such successor electronic service provider) at approximately 5:00 p.m. (Philippine Standard Time), for the three (3) consecutive Banking Days immediately preceding and ending on the Interest Rate Setting Date, plus the spread [to be] determined via a bookbuilding process.

The interest rate of the Series C Bonds [will be] computed based on the sum of (a) the simple average of the ten (10)-year PHP BVAL Reference as published on the website of the PDS Group page or, if unavailable, the PDEx page Bloomberg (or such successor electronic service provider) at approximately 5:00 p.m. (Philippine Standard Time), for the three (3) consecutive Banking Days immediately preceding and inclusive of the Interest Rate Setting Date, and (b) the spread [to be] determined via a bookbuilding process.

PLAN OF DISTRIBUTION

The Offer

The First Tranche Bonds are offered by the Company as the first Tranche of the Bonds under the Company's ₱100,000,000,000.00 Debt Securities Program. The Company shall issue the First Tranche Bonds to institutional and retail investors in the Philippines through a public offer to be conducted through the Joint Lead Underwriters and Joint Bookrunners. The Offer does not include an international offering.

Pursuant to the Registration Statement and the corresponding certificate of permit to offer securities for sale to be issued by the SEC, the First Tranche Bonds will consist of the offer of an aggregate principal amount of up to ₱20,000,000,000.00 with an Oversubscription Option of up to ₱10,000,000,000.00. In case the Oversubscription Option is partly exercised or not exercised at all during the Offer Period, the First Tranche Bonds under Oversubscription Option that will not be taken up or exercised during the Offer Period will remain under shelf registration and may be issued in tranches within the Shelf Period. The Oversubscription Option is exercisable by the Joint Lead Underwriters and Joint Bookrunners, with the consent of the Issuer.

The Issuer has the discretion to allocate the First Tranche Bonds between the Series A Bonds Series B Bonds and Series C Bonds, or depending on prevailing market conditions, to fully allocate the First Tranche Bonds in just one series, based on the book building process conducted by the Joint Lead Underwriters and Joint Bookrunners.

Shelf Registration of Securities Not Covered by the Offer

Following the close of the Offer and assuming the full exercise of the Oversubscription Option, AboitizPower will have issued a total of ₱30,000,000,000.00 in aggregate principal amount of bonds under its Debt Securities Program, with ₱70,000,000,000.00 remaining unissued. After the close of the Offer and within the Shelf Period, AboitizPower may, at its sole discretion, offer any or all of such remaining balance of the aggregate principal amount of the Bonds in subsequent tranches, including any amount remaining if the Oversubscription Option is partly exercised or not exercised at all. Any such subsequent offering requires the submission by AboitizPower of the relevant updates and amendments to the Registration Statement and the issuance of the corresponding permit to offer securities for sale by the SEC. As a listed company, AboitizPower regularly disseminates such updates and information in its disclosures to the SEC, PDEx, and PSE.

However, there can be no assurance in respect of: (i) whether AboitizPower will issue such Bonds at all; (ii) the size or timing of any individual issuance or the total issuance of such Bonds; or (iii) the specific terms and conditions of such issuance. Any decision by AboitizPower to offer such debt securities will depend on a number of factors at the relevant time, many of which are not within AboitizPower's control, including but not limited to: prevailing interest rates, the financing requirements of AboitizPower's business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

Obligations of the Joint Issue Managers

BDO Capital, First Metro, and UnionBank have agreed to act as the Joint Issue Managers for the Offer. In their capacity as Joint Issue Managers, they shall perform the following services: (i) provide guidance on the structure, timing, organization, and terms of the Offer (including time of launch, size of issue, pricing and maturity); (ii) assist and coordinate with all relevant parties with the preparation of the required documentation; and (iii) work with the Company and its legal counsel to obtain the relevant regulatory approvals.

Underwriting Obligations of the Joint Lead Underwriters and Joint Bookrunners

Pursuant to the Issue Management and Underwriting Agreement dated [·], BDO Capital, First Metro, and UnionBank have agreed to act as Joint Issue Managers for the Offer, while BDO Capital, First Metro, UnionBank, together with Chinabank Capital, LandBank, PNB Capital, and Security Bank Capital have agreed to act as Joint Lead Underwriters and Joint Bookrunners of the Offer and as such, distribute and sell the First Tranche Bonds at the Issue Price. Subject to the satisfaction of certain conditions provided in the Issue Management and Underwriting Agreement and in consideration for certain fees and expenses, the Joint Lead Underwriters, and Joint Bookrunners have committed jointly and not solidarily, to underwrite the following amounts on a firm basis:

Joint Issue Managers and Joint Lead Underwriters	Commitment
BDO Capital	₱4,500,000,000.00
First Metro	₱4,500,000,000.00
UnionBank	₱3,000,000,000.00
Chinabank Capital	₱2,000,000,000.00
LANDBANK	₱2,000,000,000.00
PNB Capital	₱2,000,000,000.00
Security Bank Capital	₱2,000,000,000.00
TOTAL	**₱20,000,000,000.00**

The Oversubscription Option is exercisable by the Joint Lead Underwriters and Joint Bookrunners, with the consent of the Issuer, and will be deemed fully underwritten to the extent exercised. Depending on the actual or expected demand for the Bonds during the Offer Period, the Oversubscription Option Bonds shall be distributed and allocated to investors at the discretion of the Joint Lead Underwriters and Joint Bookrunners. Consistent with the customary practice, upon the exercise of the Oversubscription Option, the portion exercised will be underwritten by the relevant Joint Lead Underwriters and Joint Bookrunners that have clients with excess demand.
The Issue Management and Underwriting Agreement may be terminated in certain circumstances specifically enumerated as grounds for termination in the said Agreement prior to the issuance of the Bonds and payment being made to AboitizPower of the net proceeds of the Offer. In case the Issue Management and Underwriting Agreement is terminated, the Company shall notify SEC of the termination and its subsequent course of action.

The aggregate fees to be paid by the Company to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners in relation to the Offer shall be equivalent to up to [0.375%] of the final aggregate nominal principal amount of the Series A Bonds, Series B Bonds, and Series C Bonds. This shall be equivalent to [₱75,000,000.00] for the ₱20,000,000,000.00 Base Offer and [₱112,500,000.00] assuming the Oversubscription Option is fully exercised, and will be inclusive of any commissions to be paid to the selling agents, if any. The GRT on such fees shall be for the account of the recipient thereof.

The Joint Lead Underwriters and Joint Bookrunners are duly licensed by the SEC to engage in underwriting or distribution of securities. The Joint Lead Underwriters and Joint Bookrunners may, from time to time, engage in transactions with and perform services in the ordinary course of its business for AboitizPower.

Except for UnionBank, none of the Joint Lead Underwriters and Joint Bookrunners have direct relations with AboitizPower in terms of ownership by either of their respective majority shareholder/s and have no right to designate or nominate any member of the Board. As of December 31, 2024, AEV owns 49.99% of the issued and outstanding shares of UnionBank. UnionBank's relationship with the Issuer had no effect in its conduct of due diligence.

BDO Capital, one of the Joint issue Managers, Joint Lead Underwriters and Joint Bookrunners is a subsidiary of BDO Unibank, Inc. which serves as the Trustee.

The Joint Lead Underwriters and Joint Bookrunners have no contract or other arrangement with the Company by which it may return to the Company any unsold First Tranche Bonds.

BDO Capital & Investment Corporation

BDO Capital is a leading investment bank in the Philippines and was incorporated in the Philippines on September 8, 1998 as a wholly owned subsidiary of BDO Unibank, Inc. It presently operates as a full-service investment house with the following functions, among others: securities underwriting and trading, loan syndication, financial advisory, and private placement of debt and equity. As of December 31, 2024, it had ₱5.44 billion in assets and ₱5.08 billion in capital.

First Metro Investment Corporation

First Metro is a leading investment bank in the Philippines with sixty-two years of service in the development of the country's capital markets. It is 99.3% owned by Metropolitan Bank & Trust Company and is the investment banking arm of the Metrobank Group, one of the largest financial conglomerates in the country. First Metro is licensed by the Securities & Exchange Commission to engage in underwriting and distribution of securities to the public. First Metro offers a wide range of services, from debt and equity underwriting to loan syndication, acquisition and project finance, and financial advisory. First Metro brings proven expertise in deal origination, structuring, and execution. As of 31 December 2024, its total assets stood at ₱16.30 billion, while total equity amounted to ₱15.70 billion

Union Bank of the Philippines

UnionBank, originally known as Union Savings and Mortgage Bank, was incorporated in the Philippines on August 16, 1968. On January 12, 1982, it was given the license to operate as a commercial bank. UnionBank's common shares were listed on the PSE in June 1992 and shortly after, it was granted the license to operate as a universal bank on July 15, 1992. UnionBank became the 13th and youngest universal bank in the country in only its tenth year of operation as a commercial bank. As of March 31, 2025, UnionBank's principal shareholders are AboitizPower, the Social Security System ("**SSS**"), a government owned and controlled corporation that provides social security to workers in the private sector, and The Insular Life Assurance Company, Ltd. ("**Insular Life**"), one of the leading and largest Filipino-owned life insurance companies in the Philippines. UnionBank had a market capitalization of ₱119.4 billion, with a common share price of ₱36.00 as of December 31, 2024. UnionBank, one of the Joint Issue Managers and one of the Joint Lead Underwriters and Joint Bookrunners, is an affiliate of the Issuer. As of March 31, 2025, Aboitiz Equity Ventures Inc. owns 53.09% and 49.99% of the outstanding common shares of the Issuer and UnionBank.

China Bank Capital Corporation

Chinabank Capital is the wholly-owned investment banking subsidiary of China Banking Corporation. It was registered and licensed as an investment house on November 27, 2015, with SEC Company Registration No. CS201522558 and SEC Investment House License No. CR 01-2015-00279 (renewed on November 19, 2024), as a result of the spin-off of China Banking Corporation's Investment Banking Group. The firm offers a full suite of investment banking solutions that enable clients to achieve their fundraising objectives and strategic goals. The company's services include arranging, managing, and underwriting debt and equity transactions, such as bond offerings, corporate notes issuances, initial public offerings and follow-on offerings of common and preferred shares, private placement of securities, structured loans, project finance, real estate investment trusts, and asset securitizations. Chinabank Capital also provides financial advisory services, such as deal structuring, valuation, and execution of mergers, acquisitions, divestitures, joint ventures and other corporate transactions. As of December 31, 2024, it had ₱4.06 billion and ₱4.00 billion in assets and capital, respectively.

Land Bank of the Philippines

LANDBANK is a government financial institution organized and existing pursuant to Republic Act No. 3844, otherwise known as the Agricultural Land Reform Code, as amended. Established in 1963, LANDBANK operates as a universal bank, providing a wide range of financial services to support the growth of the agriculture sector, rural communities, and other priority sectors of the economy such as infrastructure and utilities, power, micro, small and medium enterprises, healthcare and education, and environment and natural resources management, among others. Present in all 82 provinces in the country, LANDBANK is the largest development financial institution in the Philippines that promotes financial inclusion, digital transformation, and sustainable national development. LANDBANK is licensed by the SEC as an Investment House Engaged in Dealing Government Securities under Certificate of Registration (C.R.) No.: 01-2008-00243. As of December 31, 2024, it had ₱3,428.78 billion and ₱275.74 billion in assets and capital, respectively.

PNB Capital and Investment Corporation

PNB Capital, a wholly-owned subsidiary of the Philippine National Bank, offers a spectrum of investment banking services including loan syndications and project finance, bond offerings, private placements, public offering of shares, securitization, financial advisory and mergers and acquisitions. It was incorporated on July 30, 1997 and commenced operations on October 8, 1997. PNB Capital is licensed by the Philippine SEC to operate as an investment house with a non-quasi-banking license. PNB Capital is authorized to buy and sell, for its own account, securities issued by private corporations and the Philippine Government. As of December 31, 2024, total assets of PNB Capital were at ₱2.17 billion while total capital was at ₱2.13 billion.

Security Bank Capital Investment Corporation

Security Bank Capital is a Philippine corporation organized in October 1995 as a wholly owned subsidiary of Security Bank Corporation. It obtained its license to operate as an investment house in 1996 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. Security Bank Capital provides a wide range of investment banking services including financial advisory, underwriting of equity and debt securities, project finance, privatizations, mergers and acquisitions, loan syndications and corporate advisory services. Security Bank Capital is also involved in equity trading through its wholly owned stock brokerage subsidiary, SB Equities, Inc. Its senior executives have extensive experience in the capital markets and were involved in a lead role in a substantial number of major equity and debt issues. As of December 31, 2024, its total assets amounted to ₱2.19 billion and its capital base amounted to ₱2.13 billion.

Sale and Distribution

The distribution and sale of the First Tranche Bonds shall be undertaken by the Joint Lead Underwriters and Joint Bookrunners who shall sell and distribute the First Tranche Bonds to third party buyers/investors. The Joint Lead Underwriters and Joint Bookrunners are authorized to organize a syndicate of soliciting dealers, co-lead underwriters, and/or selling agents for the purpose of the Offer; provided, however, that the Joint Lead Underwriters and Joint Bookrunners shall remain jointly and not solidarily responsible to the Issuer in respect of its obligations under the Issue Management and Underwriting Agreement entered into by them with the Issuer and the Issuer shall not be bound by any of the terms and conditions of any agreement entered into by the Joint Lead Underwriters and Joint Bookrunners with such other parties. Nothing herein shall limit the rights of the Joint Lead Underwriters and Joint Bookrunners from purchasing the First Tranche Bonds for its respective accounts.

There are no finders or broker dealers entitled to any discounts or commissions in connection with the sale of the First Tranche Bonds. There are no persons to whom the First Tranche Bonds are allocated or designated. The First Tranche Bonds shall be offered to the public at large and without preference.

Depending on the actual or expected demand for the First Tranche Bonds during the Offer Period, the Joint Lead Underwriters and Joint Bookrunners, with the consent of the Issuer, may opt to exercise the Oversubscription Option which shall be distributed and allocated to investors at the discretion of the Joint Lead Underwriters and Joint Bookrunners exercising the Oversubscription Option, with the consent of the Issuer. Consistent with the customary Issue Management and Underwriting Agreement, upon the exercise of the Oversubscription Option, the portion exercised will be underwritten by the relevant Joint Lead Underwriters and Joint Bookrunners that have clients with excess demand.

No discounts or commissions shall be paid to broker dealers, and no finders are involved in the distribution of the Bonds.

Term of Appointment

The engagement of the Joint Lead Underwriters and Joint Bookrunners shall subsist so long as the SEC permit to sell remains valid, unless otherwise terminated pursuant to the Issue Management and Underwriting Agreement.

Manner of Distribution

The Joint Lead Underwriters and Joint Bookrunners shall, at its discretion but with notice to AboitizPower, determine the manner by which proposals for applications for purchase and issuances of the First Tranche Bonds shall be solicited, with the primary sale of the First Tranche Bonds to be effected only through the Joint Lead Underwriters and Joint Bookrunners.

The Joint Lead Underwriters and Joint Bookrunners, with the consent of the Issuer, shall agree on the process for allocating the First Tranche Bonds and the manner of accepting the Applications to Purchase. Consistent with bank procedures (if applicable) and such agreed process, each of the Joint Lead Underwriters and Joint Bookrunners shall be responsible for determining who are eligible Bondholders from the Applicants and for establishing the *bona fide* identity of each in accordance with the Anti-Money Laundering Laws of the Philippines, as well as its own internal policies and arrangements under acceptable standards and policies regarding "know-your-customer" and anti-money laundering.

Offer Period

The Offer Period shall commence at 9:00 a.m. on [●] and end at 5:00 p.m. [●] or such other date as may be mutually agreed by the Company and the Joint Lead Underwriters and Joint Bookrunners.

Application to Purchase

Applicants may purchase the Bonds during the Offer Period by submitting to the Joint Lead Underwriters and Joint Bookrunners properly completed Applications to Purchase, whether originally signed or electronically submitted (through the e-Securities Issue Portal ("**e-SIP**"), together with all applicable supporting documentation in the prescribed form and submitted in the prescribed manner, with full payment of the purchase price of the Bonds in the manner provided therein. Corporate, partnerships, institutional or trust Applicants may also be required to submit, in addition to the foregoing:

- an original notarized certificate by the corporate secretary (or an equivalent officer of the Applicant) setting forth resolutions of the board of directors, partners or equivalent body (i) authorizing the purchase of the Bonds indicated in the Application to Purchase and (ii) designating the signatory/ies, with their specimen signature/s, for the said purposes;
- copies of its Articles of Incorporation and By-laws (and latest amendments thereof), together with the Certificate of Incorporation issued by the SEC or other organizational documents issued by an equivalent government institution, stamped and signed as certified true copies by the SEC or the equivalent government institution, or by the corporate secretary, or by an equivalent officer(s) of the Applicant who is/are authorized signatory/ies;
- two (2) duly accomplished signature cards containing the specimen signatures of the authorized signatories of the Applicant, validated by its corporate secretary or by an equivalent officer(s) who is/are authorized signatory/ies, whose authority/ies and specimen signatures have been submitted to the Registrar;
- valid and unexpired identification document(s) of the authorized signatories of the Applicant as specified in the paragraph below;
- valid tax identification number ("**TIN**") issued by the BIR; and
- such other documents as may be reasonably required by the Joint Lead Underwriters and Joint Bookrunners and the Registrar in the implementation of its internal policies regarding "know your customer" and anti-money laundering and requirements related to the Foreign Account Tax Compliance Act ("**FATCA**").

Individual Applicants, must also submit, in addition to the accomplished Applications to Purchase and its required attachments:

- a photocopy of any one of the following identification cards ("**IDs**"): Philippine Identification Card ("**PhilID**"), passport, driver's license, postal ID, company ID, SSS/GSIS ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank, which must be valid as of the date of the Application;
- two (2) duly accomplished signature cards containing the specimen signature of the Applicant;
- valid TIN issued by the BIR; and
- such other documents as may be reasonably required by the Joint Lead Underwriters and Joint Bookrunners or the Registrar in implementation of its internal policies regarding "know your customer" and anti-money laundering and requirements related to the FATCA.

An Applicant who is exempt from or is not subject to withholding tax, or who claims preferential tax treaty rates shall, in addition, be required to submit the following requirements to the relevant Joint Lead Underwriter, and Joint Bookrunner (together with their applications) who shall then forward the same to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance:

a. Proof of Tax Exemption or Entitlement to Preferential Tax Rates

   i. For (a) tax-exempt corporations and associations under Section 30 of the Tax Code (except non-stock, non-profit educational institutions under Section 30(H) of the Tax Code), including non-stock savings and loan associations; (b) cooperatives duly registered with the Cooperative Development Authority; and (c) BIR-approved pension funds and retirement plans – certified true copy of a valid, current, and subsisting tax exemption certificate, ruling, or opinion issued by the BIR. For this purpose, a tax exemption certificate or ruling shall be deemed "valid, current, and subsisting" if it has not been more than three (3) years since the date of issuance thereof, and has not been revoked, amended, or modified;

   ii. For Tax-Exempt Personal Equity Retirement Account established pursuant to PERA Act of 2008 – certified true copy of the Bondholder's current, valid and subsisting Certificate of Accreditation as PERA Administrator (BIR Form No. 2336);

   iii. For all other tax-exempt entities (including, but not limited to: (a) non-stock, non-profit educational institutions; (b) government-owned or controlled corporations; and (c) foreign governments, financing institutions owned, controlled or enjoying refinancing from foreign governments, and international or regional financial institutions established by foreign governments) – certified true copy of a tax exemption certificate, ruling, or opinion issued by the BIR expressly stating that their income is exempt from income tax and, consequently, withholding tax; and

   iv. For entities claiming tax treaty relief – original or certified true copies of the following documents:

   General requirements:

      1) Original Tax Residency Certificate ("**TRC**") duly issued by the tax authority of the foreign country in which the Bondholder is a resident;
      2) Original and duly notarized Special Power of Attorney ("**SPA**") issued by the Bondholder to the Issuer, expressly stating the Issuer's authority to sign the Application Form for Treaty Purposes (BIR Form No. 0901-I) and to file a request for confirmation with the BIR on behalf of the Bondholder;

   Additional requirements for legal persons and arrangements, and individuals:

      3) Authenticated copy of the Bondholder's Articles/Memorandum of Incorporation/Association, Trust Agreement, or equivalent document confirming its establishment or incorporation, with an English translation thereof if in foreign language;
      4) For legal persons and arrangements – original Certificate of Non-Registration or certified true copy of License to Do Business in the Philippines duly issued by the SEC to the Bondholder;
      5) For individuals – original Certificate of Business Registration/Presence duly issued by the Department of Trade and Industry ("**DTI**") to the Bondholder;

   Additional requirements for entities:

      6) Certified true copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the Bondholder;
      7) List of owners/beneficiaries of the Bondholder;
      8) Proof of ownership of the Bondholder; and

9) TRC duly issued by the concerned foreign tax authority to the owners or beneficiaries of the Bondholder.

All documents executed in a foreign country must either be authenticated by the Philippine Embassy stationed therein or apostilled if the said foreign country is a signatory to the Convention Abolishing the Requirement of Legalization for Foreign Public Documents (HCCH 1961 Apostille Convention) in order to be acceptable to the Issuer.

In addition, for subsequent interests due and subject to the requirements of new or amendatory regulations, the Bondholder shall submit to the Issuer an updated Application Form, a new TRC (if the validity period of the previously submitted TRC has already lapsed), and other relevant documents no later than the last day of the first month of the year when such subsequent interest payment/s shall fall due.

b. A duly notarized declaration (in the prescribed form) warranting that the Bondholder's tax-exemption certificate or ruling has not been revoked or cancelled and that there are no material changes in character, purpose or method of operation of the Bondholder which are inconsistent with the basis of its income tax exemption, or warranting the Bondholder's entitlement to preferential treaty rates, and undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation of its tax exemption or treaty privileges and agreeing to indemnify and hold the Issuer and Registrar and Paying Agent free and harmless against any claims, actions, suits and liabilities arising from the non-withholding or reduced withholding of the required tax; and

c. Such other documentary requirements as may be reasonably required by the Issuer or the Registrar and Paying Agent, or as may be required under applicable regulations of the relevant taxing or other authorities.

Failure to submit any of the documents provided under (a), (b) and (c) above, as may be applicable, will result in the application of the regular income tax rate provided under the Tax Code.

The foregoing notwithstanding, the Issuer, the Registrar, and the Paying Agent shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.

Completed Applications to Purchase and corresponding payments must reach the relevant Joint Lead Underwriters and Joint Bookrunners prior to the end of the Offer Period, or such earlier date as may be specified by the relevant Joint Lead Underwriters and Joint Bookrunners. Acceptance by each Joint Lead Underwriters and Joint Bookrunners of the completed Application to Purchase shall be subject to the availability of the First Tranche Bonds and the approval by AboitizPower and the relevant Joint Lead Underwriters and Joint Bookrunners. In the event that any check payment is returned by the drawee bank for any reason whatsoever, the Application to Purchase shall be automatically cancelled and any prior acceptance of the Application to Purchase is deemed revoked.

<u>Minimum Purchase</u>

A minimum purchase of Fifty Thousand Pesos (₱50,000.00) shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of Ten Thousand Pesos (₱10,000.00).

<u>Allotment of the First Tranche Bonds</u>

If the First Tranche Bonds are insufficient to satisfy all Applications to Purchase, the available Bonds shall be allotted at the discretion of the Joint Lead Underwriters and Joint Bookrunners, with the consent of the Issuer and subject to its right of rejection.

Acceptance of Applications

AboitizPower and the Joint Lead Underwriters and Joint Bookrunners reserve the right to accept or reject applications to subscribe in the First Tranche Bonds, and in case of oversubscription, allocate the First Tranche Bonds available to the applicants in a manner they deem appropriate. If any Application is rejected or accepted in part only, the application money or the appropriate portion thereof will be returned without interest by the relevant Joint Lead Underwriter and Joint Bookrunner to the Applicant.

Refunds

In the event an Application is rejected or the amount of the First Tranche Bonds applied for is scaled down, the relevant Joint Lead Underwriter and Joint Bookrunner, upon receipt of such rejected and/or scaled down applications, shall notify the Applicant concerned that his application has been rejected or the amount of First Tranche Bonds applied for is scaled down, and refund the amount paid by the Applicant with no interest thereon.

With respect to an Applicant whose application was rejected, refund shall be made without interest by the relevant Joint Lead Underwriter and Joint Bookrunner by making the check payment of the Applicant concerned available for his retrieval. With respect to an Applicant whose application has been scaled down, refund shall be made without interest by the issuance by the relevant Joint Lead Underwriter and Joint Bookrunner of its own check payable to the order of the Applicant and crossed ''Payees' Account Only'' corresponding to the amount in excess of the accepted Application. All checks shall be made available for pick up by the Applicant concerned at the office of the relevant Joint Lead Underwriter and Joint Bookrunner to whom the rejected or scaled down Application was submitted within ten (10) Banking Days after the last day of the Offer Period. The Issuer shall not be liable in any manner to the Applicant for any check payment corresponding to any rejected or scaled-down application which is not returned by the relevant Joint Lead Underwriter and Joint Bookrunner; in which case, the Joint Lead Underwriter and Joint Bookrunner shall be responsible directly to the Applicant for the return of the check or otherwise the refund of the payment.

Secondary Market

AboitizPower intends to list the First Tranche Bonds on the PDEx. AboitizPower may purchase the First Tranche Bonds at any time, in the open market or by tender or by contract, in accordance with PDEx Rules, which may be amended from time to time, without any obligation to make pro rata purchases of the First Tranche Bonds from all Bondholders. First Tranche Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

Upon listing of the First Tranche Bonds on the PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.

The First Tranche Bonds shall be traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.

Registry of Bondholders

The First Tranche Bonds shall be issued in scripless form and will be eligible for trading under the scripless book-entry system of PDTC. Master Certificates of Indebtedness representing the Series A Bonds, Series B Bonds, and Series C Bonds sold in the Offer shall be issued to and registered in the name of the Trustee, on behalf of the Bondholders.

Legal title to the First Tranche Bonds shall be shown in the Registry Book ("**Registry Book**") to be maintained by the Registrar. AboitizPower will cause the Registry Book to be kept at the specified office of the Registrar. The names and addresses of the Bondholders and the particulars of the First Tranche Bonds held by them and of all transfers of Bonds shall be entered into the Registry Book.

Initial placement of the First Tranche Bonds and subsequent transfers of interests in the First Tranche Bonds shall be subject to applicable prevailing Philippine selling restrictions.

DESCRIPTION OF THE OFFER

The following does not purport to be a complete listing of all the rights, obligations, or privileges of the First Tranche Bonds. Some rights, obligations, or privileges may be further limited or restricted by other documents. Prospective Bondholders are enjoined to carefully review the Articles of Incorporation, By-Laws and resolutions of the Board of Directors and Shareholders of the Company, the information contained in the Prospectus and the Bond Agreements.

The corresponding issue of the First Tranche Bonds with an aggregate principal amount of up to ₱20,000,000,000.00, with an Oversubscription Option of up to ₱10,000,000,000.00, were authorized by a resolution of the Board dated February 25, 2025.

The First Tranche Bonds shall be constituted by a Trust Agreement executed on [·] (entered into between the Issuer and the Trustee, which term shall, wherever the context permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Agreement. The description of the terms and conditions of the First Tranche Bonds set out below includes summaries of, and is subject to, the detailed provisions of the Trust Agreement.

A registry and paying agency agreement was also executed on [·] in relation to the First Tranche Bonds among the Issuer, and the Registrar and Paying Agent.

The First Tranche Bonds shall be offered and sold through a general public offering in the Philippines, and issued and transferable in minimum principal amounts of Fifty Thousand Pesos (₱50,000.00) and in multiples of Ten Thousand Pesos (₱10,000.00) thereafter, and traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.

The Series A Bonds, Series B Bonds, and Series C Bonds shall mature two (2), five (5) and ten (10) years from their respective Issue Dates (each a "**Maturity Date**"), unless earlier redeemed by the Issuer pursuant to the terms thereof and subject to the provisions on redemption and payment below, provided that, if such Maturity Date falls on a day that is not a Banking Day, the Maturity Date shall be the immediately succeeding Banking Day, without adjustment to the amount of interest to be paid.

The Registrar and Paying Agent has no interest in or relation to AboitizPower which may conflict with its role as Registrar for the Offer. The Trustee has no interest in or relation to AboitizPower which may conflict with the performance of its functions as Trustee.

Copies of the Trust Agreement and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the specified offices of the Trustee. The holders of the First Tranche Bonds (the "**Bondholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Agreement and are deemed to have notice of those provisions of the Registry and Paying Agency Agreement applicable to them.

Form and Denomination

The First Tranche Bonds are in scripless form, and shall be issued in denominations of Fifty Thousand Pesos (₱50,000.00) each as a minimum and in multiples of Ten Thousand Pesos (₱10,000.00) thereafter and traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.

Title

Legal title to the First Tranche Bonds shall be shown in the Registry Book maintained by the Registrar. A notice confirming the principal amount of the First Tranche Bonds purchased by each applicant in the Offer shall be issued by the Registrar to all Bondholders following the Issue Date. Upon any assignment, title to the First Tranche Bonds shall pass by recording of the transfer from the transferor to the transferee in the electronic Registry Book maintained by the Registrar. Settlement in respect of such transfer or change of title to the First Tranche Bonds, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder.

Bond Rating

The First Tranche Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings. PRS Aaa is the highest rating assigned by PhilRatings. Obligations rated PRS Aaa are of the highest quality with minimal credit risk. A Stable Outlook means that the rating is likely to be maintained or to remain unchanged in the next twelve (12) months.

PhilRatings identified the following key rating factors in the assignment of the rating: a) diversified portfolio with good growth prospects; b) highly experienced management team; c) healthy liquidity and ample coverage ratios; and d) AboitizPower's sound capital structure.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization.

Transfer of Bonds

Register of Bondholders

The Issuer shall cause the Registry Book to be kept by the Registrar, in electronic form. The names and addresses of the Bondholders and the particulars of the First Tranche Bonds held by them and of all transfers of First Tranche Bonds shall be entered into the Register of Bondholders. As required by Circular No. 428-04 issued by the BSP, the Registrar shall send each Bondholder, in the mode elected by such Bondholder in the Application to Purchase or the Registration Form, a written statement of registry holdings at least quarterly (at the cost of the Issuer) and a written advice confirming every receipt or transfer of the First Tranche Bonds that is effected in the Registrar's system (at the cost of the relevant Bondholder). Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Any requests of Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder. No transfers of the First Tranche Bonds may be made during the period intervening between and commencing on the Record Date as defined in the section on "*Interest Payment Date.*"

Transfers: Tax Status

The Registrar shall ultimately and conclusively determine all matters regarding the evidence necessary to effect any such transfers. Settlement in respect of such transfers or change of title to the First Tranche Bonds, including the settlement of any documentary stamp taxes, if any, arising from subsequent transfers, shall be settled directly between the transferee and/or the transferor Bondholders.

Transfers across tax categories shall not be allowed except on Interest Payment Dates that fall on a Banking Day. Restricted transfers include, but are not limited to, transfers between taxable and non-taxable entities, between taxable entities of different tax categories (where tax-withheld entities with different final withholding tax rates (e.g., 20%, 25%, 30%) are considered as belonging to different tax categories), or between parties who claim the benefit of a tax treaty; provided, however, that transfers from a tax-exempt category to a taxable tax category on a non-Interest Payment Date shall be allowed using the applicable tax rate to ensure that the computation is based on the final withholding tax rate of the taxable party to the trade. For such transactions, the tax-exempt entity shall be treated as belonging to the same tax category as its taxable counterpart for the interest period within which such transfer occurred. A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under the Registry and Paying Agency Agreement upon submission of the account opening documents to Registrar. Transfers taking place in the Registry Book after the First Tranche Bonds are listed on PDEx shall be allowed between tax-exempt and non-tax-exempt entities without restriction and observing the tax exemption of tax-exempt entities, if and/or when so allowed under and in accordance with the relevant rules, conventions, and guidelines of PDEx and PDTC.

Secondary Trading of the First Tranche Bonds

The Issuer intends to list the First Tranche Bonds at PDEx for secondary market trading or such other securities exchange as may be licensed as such by the SEC. Secondary market trading in PDEx shall follow the applicable PDEx rules, conventions, and guidelines governing trading and settlement between bondholders of different tax status and shall be subject to the relevant fees of PDEx and PDTC. Upon listing of the First Tranche Bonds with PDEx, investors shall course their secondary market trades through PDEx Brokering Participants for execution in the PDEx Trading Platform in accordance with PDEx Trading Rules, Conventions and Guidelines, and shall settle such trades on a Delivery versus Payment ("**DvP**") basis in accordance with PDEx Settlement Rules and Guidelines. The PDEx rules and conventions are available in the PDEx website (www.pds.com.ph). An Investor Frequently Asked Questions ("**FAQ**") discussion on the secondary market trading, settlement, documentation and estimated fees are also available on the PDEx website.

Market Information on Other Debt Securities

While there are already listed debt securities of AboitizPower on PDEx, these securities have maturities that may be different from the Series A Bonds, Series B Bonds and Series C Bonds, and were priced at a time when benchmark rates were likely different. As such, the listed price of the said securities may not necessarily be directly comparable with the Series A Bonds, Series B Bonds and Series C Bonds.

Ranking

The First Tranche Bonds shall constitute the direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of the Issuer and shall rank *pari passu* and ratably in priority of payment without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by the Issuer pursuant to Section 5.2 (a) of the Trust Agreement or as may be allowed by the Trust Agreement, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of Issue Date. The First Tranche Bonds shall effectively be subordinated in right of payment to, among others, all of AboitizPower's secured debts to the extent of the value of the assets securing such debt and all of its debt that is evidenced by a public instrument under Article 2244 (14) of the Civil Code of the Philippines, unless the Issuer procures a waiver of the preference created by such notarization or equally and ratably extend such preference to the First Tranche Bonds.

Interest

Interest Payment Dates

The First Tranche Bonds bear interest on its principal amount from and including Issue Date at the following rates p.a., payable quarterly in arrear starting on [·] for the first interest payment date, and [·], [·], and [·] of each year while the relevant First Tranche Bonds are outstanding (each an "**Interest Payment Date**"), or the immediately succeeding Banking Day, if such Interest Payment Date is not a Banking Day, without any adjustment in the amount due; provided that if the Issue Date is set at a date other than [·], then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every three (3) months following the actual Issue Date. The last Interest Payment Date shall fall on the Maturity Date, or the immediately succeeding Banking Day if such day is not a Banking Day, without any adjustment to the amount due.

Series A Bonds: [·]% p.a.
Series B Bonds: [·]% p.a.
Series C Bonds: [·]% p.a.

The cut-off date in determining the existing Bondholders entitled to receive interest or principal amount due shall be, as used with respect to any Interest Payment Date, the day which is two (2) Banking Days prior to the relevant Interest Payment Date (the "**Record Date**"), which shall be the reckoning day in determining the Bondholders entitled to receive interest, principal or any other amount due under the First Tranche Bonds; provided, that if such day falls on a non-Banking Day, the Record Date shall be the next Banking Day immediately preceding said date. No transfers of the First Tranche Bonds may be made during this period intervening between and commencing on the Record Date and the relevant Interest Payment Date.

Interest Accrual

The First Tranche Bonds shall cease to bear interest from and including the Maturity Date, as defined in the discussion on *"Final Redemption,"* unless, upon due presentation, payment of the principal in respect of the Bond then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see *"Penalty Interest"*) shall apply.

Determination of Interest Amount

The interest shall be calculated on the basis of a three hundred and sixty (360)-day year consisting of twelve (12) months of thirty (30) days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of thirty (30) days.

Redemption and Purchase

Final Redemption

Unless previously purchased and cancelled, the First Tranche Bonds shall be redeemed at par or 100% of face value on the Maturity Date. However, payment of all amounts due on such date may be made by the Issuer through the Paying Agent, without adjustment, on the succeeding Banking Day if the Maturity Date is not a Banking Day.

Early Redemption

Prior to the respective Maturity Date of each Series of the First Tranche Bonds, the Issuer shall have the right, but not the obligation, to redeem in whole (and not in part), the outstanding Series B Bonds and Series C Bonds on the Early Redemption Dates, as provided below, or the immediately succeeding Banking Day if such date is not a Banking Day (the "Early Redemption Date"), without any adjustment in the amount of interest as originally computed.

The amount payable to the Bondholders in respect of the Early Redemption exercise (the "**Early Redemption Price**") shall be calculated based on the principal amount of Series B Bonds and Series C Bonds being redeemed as the aggregate of the: (i) accrued interest computed from the last Interest Payment Date up to the relevant Early Redemption Date; and (ii) the product of the principal amount and the applicable Early Redemption Price in accordance with the following schedule:

Series A Bonds	
Early Redemption Dates	**Early Redemption Price (inclusive of prepayment penalty)**
not applicable	not applicable

Series B Bonds	
Early Redemption Dates	**Early Redemption Price (inclusive of prepayment penalty)**
2 years from Issue Date and every Interest Payment Date thereafter before the 3rd year anniversary of the Issue Date	[101.00%]
3 years from Issue Date and every Interest Payment Date thereafter before the	[101.00%]

4th year anniversary of the Issue Date	
4 years from Issue Date and every Interest Payment Date thereafter before the Maturity Date	[100.25%]

Series C Bonds	
Early Redemption Dates	**Early Redemption Price (inclusive of prepayment penalty)**
5 years from Issue Date and every Interest Payment Date thereafter before the 6th year anniversary of the Issue Date	[102.50%]
6 years from Issue Date and every Interest Payment Date thereafter before the 7th year anniversary of the Issue Date	[102.00%]
7 years from Issue Date and every Interest Payment Date thereafter before the 8th year anniversary of the Issue Date	[101.00%]
8 years from Issue Date and every Interest Payment Date thereafter before the 9th year anniversary of the Issue Date	[101.00%]
9 years from Issue Date and every Interest Payment Date thereafter before the Maturity Date	[100.25%]

The Issuer shall give not less than thirty (30) nor more than sixty (60) days prior written notice to the Bondholders through the Trustee of its intention to redeem the Series B Bonds or the Series C Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Series B Bonds or the Series C Bonds on the Early Redemption Date stated in such notice. For the avoidance of doubt, notice to the Trustee shall be considered notice to the Bondholders.

Redemption for Taxation Reasons

The Issuer may redeem the First Tranche Bonds in whole, but not in part, on any Interest Payment Date (having given not more than sixty (60) nor less than fifteen (15) days' notice to the Trustee) at par or 100% of the face value plus accrued interest, subject to the requirements of Applicable Law, if payments under the First Tranche Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in Applicable Law, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer.

For avoidance of doubt, the Issuer shall not be liable for the payment of the additional or increased taxes, which shall be for the account of the Bondholders.

The Trustee, upon receipt of written notice of redemption delivered by the Issuer, shall declare the principal of the First Tranche Bonds, including all accrued interest, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable without any pre-payment penalty that is imposed under an Early Redemption, anything in the Trust Agreement or in the First Tranche Bonds contained to the contrary notwithstanding.

Mandatory Redemption

If any one or more of the following events shall occur, in the reasonable opinion of the Bondholders holding at least two-thirds (2/3) of the outstanding amount of the First Tranche Bonds for the events contemplated in (a), (b) or (c) below or the Majority Bondholders for the events contemplated in (d) below (and with written notice to the Trustee), and be continuing for a period of thirty (30) Banking Days with respect to the events contemplated in (a) or (c) below:

a. Any law, government and/or non-government consent, license, authorization, registration or approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Agreement or the First Tranche Bonds which shall be modified in a manner which, while not constituting an Event of Default, will materially and adversely affect the ability of the Issuer to comply with such obligations, or shall be withdrawn or withheld;

b. Any provision of the Trust Agreement or any of the related documents is or becomes invalid, illegal or unenforceable by reason of: (i) any final judgment or order by a court of competent authority; or (ii) notwithstanding any pending action before a court of competent authority: (x) any final and effective act of any Government Authority, or (y) any final and effective law, rule, or regulation to the extent that it becomes for any reason unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Agreement or any of the related documents in whole or in part, or any law is introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Agreement or any other related documents;

c. Any concessions, permits, rights, franchise or privileges required for the conduct of the business and operations of the Issuer shall be revoked, canceled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, by reason of: (i) any final judgment or order by a court of competent authority; or (ii) notwithstanding any pending action before a court of competent authority: (x) any final and effective act of any Government Authority, or (y) any final and effective law, rule, or regulation, in such a manner as to materially and adversely affect the financial condition or operations of the Issuer; and

d. Any Government Authority or any competent authority condemns, seizes, or expropriates all or substantially all of the assets or properties of the Issuer, unless such act is contested in good faith by the Issuer or unless such act is suspended or restrained by an order of a court of competent jurisdiction;

then, the Trustee, by notice in writing delivered to the Issuer, may declare the principal of the First Tranche Bonds, including all accrued interest and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable without any pre-payment penalty that is imposed under an Early Redemption, anything in this Agreement or in the First Tranche Bonds contained to the contrary notwithstanding, subject to the notice requirements under Section 10.2 of the Trust Agreement, provided that, such notice shall not be deemed either caused by default under Section 9.1, or a notice of default under Section 10.2. The Issuer shall also have the option to redeem in whole, but not in part, the First Tranche Bonds at par (or 100% of face value) and paid together with the accrued interest thereon, by giving not more than sixty (60) nor less than thirty (30) (or such shorter period prescribed by Applicable Law, if any) days' notice to the Trustee.

Purchase

The Issuer may at any time purchase any of the First Tranche Bonds at any price in the open market or by tender or by contract in accordance with PDEx Rules, which may be amended from time to time, without any obligation to purchase First Tranche Bonds pro-rata from all Bondholders. First Tranche Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

Upon listing of the First Tranche Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.

Payments

The principal of, interest on, and all other amounts payable on the First Tranche Bonds shall be paid to the Bondholders by crediting the settlement accounts designated by each of the Bondholders. The principal of, and interest on, the First Tranche Bonds shall be payable in Philippine Pesos, net of final taxes and fees (if any). AboitizPower shall ensure that so long as any of the First Tranche Bonds remains outstanding, there shall at all times be a Paying Agent for the purposes of the First Tranche Bonds. AboitizPower may terminate the appointment of the Paying Agent, as provided in the Registry and Paying Agency Agreement. In the event the appointed office of any institution shall be unable or unwilling to continue to act as the Paying Agent, AboitizPower shall appoint the Makati City office of such other leading institution in the Philippines authorized to act in its place. The Paying Agent may not resign its duties or be removed without a successor having been appointed.

Payment of Additional Amounts - Taxation

Interest income on the First Tranche Bonds is subject to final withholding tax at rates depending on the tax status of the relevant Bondholder under relevant law, regulation or tax treaty. Except for such final withholding tax and as otherwise provided below or in the Trust Agreement, and without prejudice to the right of the Issuer to exercise its option to redeem the First Tranche Bonds for taxation reasons, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following:

1. The applicable final withholding tax applicable on interest earned on the Series A Bonds, Series B Bonds, and Series C Bonds prescribed under the Tax Code, as amended and its implementing rules and regulations as may be in effect from time to time. Without prejudice to any new or additional requirements as may be required under new or amendatory regulations, an investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance:

    a. A current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant Applicant or Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto;

    b. Proof of Tax Exemption or Entitlement to Preferential Tax Rates

        i. For (a) tax-exempt corporations and associations under Section 30 of the Tax Code (except non-stock, non-profit educational institutions under Section 30 (H) of the Tax Code), including non-stock savings and loan associations; (b) cooperatives duly registered with the Cooperative Development Authority; and (c) BIR-approved pension fund and retirement plan – certified true copy of valid, current and subsisting tax exemption certificate, ruling or opinion issued by the BIR. For this purpose, a tax exemption certificate or ruling shall be deemed "valid, current and subsisting" if it has not been more than three (3) years since the date of issuance thereof, and has not been revoked, amended, or modified;
        ii. For Tax-Exempt Personal Equity Retirement Account established pursuant to PERA Act of 2008 – certified true copy of the Bondholder's current, valid and subsisting Certificate of Accreditation as PERA Administrator (BIR Form No. 2336);
        iii. For all other tax-exempt entities (including, but not limited to, (a) non-stock, non-profit educational institutions; (b) government-owned or -controlled corporations; and (c) foreign governments, financing institutions owned, controlled or enjoying refinancing from foreign governments, and international or regional financial institutions established by foreign governments) – certified true copy of tax exemption certificate, ruling or opinion issued by the BIR expressly stating that their income is exempt from income tax and, consequently, withholding tax; and

iv. For entities claiming tax treaty relief – original or certified true copies of the following documents:

General requirements:

A. Original Tax Residency Certificate ("**TRC**") duly issued by the tax authority of the foreign country in which the Bondholder is a resident;
B. Original and duly notarized Special Power of Attorney ("**SPA**") issued by the Bondholder to the Issuer, expressly stating the Issuer's authority to sign the Application Form for Treaty Purposes (BIR Form No. 0901-I) and to file a request for confirmation with the BIR on behalf of the Bondholder;

Additional requirements for legal persons and arrangements, and individuals:

C. Authenticated copy of the Bondholder's Articles/Memorandum of Incorporation/Association, Trust Agreement, or equivalent document confirming its establishment or incorporation, with an English translation thereof if in foreign language;
D. For legal persons and arrangements – original Certificate of Non Registration or certified true copy of License to Do Business in the Philippines duly issued by the SEC to the Bondholder;
E. For individuals – original Certificate of Business Registration/Presence duly issued by the DTI to the Bondholder;

Additional requirements for entities:

F. Certified true copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the Bondholder;
G. List of owners/beneficiaries of the Bondholder;
H. Proof of ownership of the Bondholder; and
I. TRC duly issued by the concerned foreign tax authority to the owners or beneficiaries of the Bondholder.

All documents executed in a foreign country must either be authenticated by the Philippine Embassy stationed therein or apostilled if the said foreign country is a signatory to the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents (HCCH 1961 Apostille Convention) in order to be acceptable to the Issuer.

In addition, for subsequent interests due and subject to the requirements of new or amendatory regulations, the Bondholder shall submit to the Issuer an updated Application Form, a new TRC (if the validity period of the previously submitted TRC has already lapsed), and other relevant documents no later than the last day of the first month of the year when such subsequent interest payment/s shall fall due.

c. A duly notarized declaration (in the prescribed form) warranting that the Bondholder's tax-exemption certificate or ruling has not been revoked or cancelled and that there are no material changes in character, purpose or method of operation of the Bondholder which are inconsistent with the basis of its income tax exemption, or warranting the Bondholder's entitlement to preferential treaty rates, and undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation of its tax exemption or treaty privileges and agreeing to indemnify and hold the Issuer and Registrar and Paying Agent free and harmless against any claims, actions, suits and liabilities arising from the non-withholding or reduced withholding of the required tax; and

d. Such other documentary requirements as may be reasonably required by the Issuer or the Registrar or the Paying Agent, or as may be required under applicable regulations of the relevant taxing or other authorities.

Failure to submit any of the documents provided under (a), (b), and (c) above, as may be applicable, will result in the application of the normal income tax rate provided under the Tax Code.

Unless properly provided with satisfactory proof of the tax-exempt status of an Applicant or Bondholder, the Registrar and Paying Agent may assume that said Applicant or Bondholder is taxable and proceed to apply the tax due on the First Tranche Bonds. Notwithstanding the submission by the Applicant or Bondholder, or the receipt by the Issuer or any of its agents, of documentary proof of the tax-exempt status of an Applicant or Bondholder, the Issuer may, in its sole and reasonable discretion, determine that such Applicant or Bondholder is taxable and require the Registrar and Paying Agent to proceed to apply the tax due on the First Tranche Bonds. Any question on such determination shall be referred to the Issuer.

2. Any applicable taxes on other income due to any Bondholder arising from the Series A Bonds, Series B Bonds, or Series B Bonds, including but not limited to the pre-payment penalty, if and when applicable;

3. GRT under Section 116 of the Tax Code, as amended;

4. Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding; and

5. VAT under Section 108 of the Tax Code, as amended.

Documentary stamp tax for the primary issue of the Bonds and the execution of the Bond Agreements, if any,shall be for the Issuer's account.

Financial Covenants

The Issuer shall not incur any loan obligation with a maturity of more than one (1) year, if on the transaction date, after giving effect to the incurrence of such loan obligation, and any other such cumulative obligations, but not giving any effect to the receipt or application of proceeds therefrom, the Net Debt, as at the last day of the Relevant Period immediately preceding the transaction date, to Consolidated Equity, in respect of the Relevant Period immediately preceding the transaction date, will exceed 3:1.

Other than the above, there are no other financial covenants that the Issuer will maintain with respect to the Bonds. The Trust Agreement provides for other covenants of the Bonds.

Default

Events of Default

Upon the occurrence of any of the events enumerated below, the Issuer, pursuant to Section [10] of the Trust Agreement, shall promptly notify the Bondholders through the Trustee in writing of the occurrence of such event.

1. **Payment Default.** The Issuer fails to pay when due and payable any amount of principal or interest which the Issuer is obligated to pay the Bondholders under the Trust Agreement and the First Tranche Bonds, provided that such non-payment shall not constitute an Event of Default if and such failure to pay is remedied within seven (7) Banking Days from due date thereof.

   The Issuer fails to pay when due and payable any other amount payable by the Issuer in respect of the First Tranche Bonds and under the Trust Agreement in the manner, at the place, and in the currency in which it is expressed to be payable, and such non-payment continues for thirty (30) days from the date such payment is due. These other amounts include Penalty Interest, insofar as the payment of such interest is concerned.

2. **Representation/Warranty Default.** Except for clerical or typographical errors, any representation or warranty made by the Issuer in the Trust Agreement or in any document issued pursuant thereto or otherwise in connection therewith shall prove to have been untrue, incorrect, or misleading in any material respect as at the time it was made or deemed to have been made or is violated or not complied with, and the circumstances which cause such

representation or warranty to be incorrect or misleading continue for not less than thirty [30] days (or such longer period as the Majority Bondholders shall approve) after receipt of written notice from the Trustee to that effect.

3. **Other Provisions Default.** The Issuer fails to perform or comply with any other term, obligation, or covenant contained in the Trust Agreement or in any other document or instruments related or otherwise in connection therewith in any material respect and any such failure, violation, non-compliance is not remediable or if remediable, continues unremedied for a period of ninety (90) days for financial covenants and sixty (60) days for all other covenants from the date after written notice thereof shall have been given by the Trustee; Provided, however, that for the avoidance of doubt, no additional grace period shall apply to the Events of Default.

4. **Cross-Default.** The Issuer violates any other material obligation by the Issuer with any bank, financial institution or other person, corporation or entity for the payment of borrowed money which constitutes an event of default under said contract, or in general, violation of any, law or regulation which violation, if remediable, is not remedied by the Issuer within thirty (30) Banking Days from receipt of notice by the Trustee to the Issuer, or which violation is otherwise not contested by the Issuer, and the effect of such violation results in the acceleration or declaration of the whole financial obligation to be due and payable prior to the stated normal date of maturity; and which violation will, further, in the reasonable opinion of at least two-thirds (⅔) of the Bondholders, adversely and materially affect the performance by the Issuer of its obligations under the Trust Agreement and the First Tranche Bonds. Provided, however, that no Event of Default will occur under this paragraph unless the aggregate amount of indebtedness in respect of which one or more of the events above mentioned has/have occurred equals or is in excess of five percent (5%) of the Fair Market Value Of Assets of the Issuer.

5. **Insolvency Default.** The Issuer becomes insolvent or is unable to pay its debts when due or commits or permits any act of bankruptcy, which act shall include: (i) the filing of a petition in any bankruptcy, reorganization, winding up or liquidation of the Issuer, the appointment of a receiver, liquidator, assignee, trustee, or sequestrator of the Issuer, or a substantial part of its property or assets or a substantial part of its capital stock or to assume custody or control of the Issuer, or the ordering of its dissolution, winding-up or liquidation of its affairs, or any other proceeding analogous in purpose and effect: provided, however, that in case the foregoing petition is filed by any other party, other than the Issuer, such event shall be considered a declared Event of Default only upon the issuance of a final order by a court of competent authority; (ii) the making of an assignment by the Issuer of substantially all or all of its assets, or in fraud of creditors; (iii) the admission in writing by the Issuer of its inability to pay its debts; provided, that, the issuance of any such decree or order shall not be an Event of Default if the same shall have been dismissed or stayed by injunction or otherwise within ninety (90) days from issuance thereof or such longer period as the Majority Bondholders may approve.

6. **Closure Default.** The Issuer voluntarily suspends or ceases operations of a substantial portion of its business for a continuous period of thirty (30) calendar days, except that if the closure is: (i) due to strikes or lockouts; or (ii) necessary to prevent business losses; or (iii) due to fortuitous events or force majeure, then such closure shall not be deemed a Closure Default.

7. **Judgment Default.** Any final judgment, decree or arbitral award for the sum of money, damages or for a fine or penalty in excess of twenty percent [20%] of the Issuer’s Fair Market Value Of Assets or its equivalent in any other currency is entered against the Issuer and any relevant period specified for payment in such judgment, decree, order, or agreement, and any extension thereof, shall have expired without being satisfied, discharged, or stayed within (i) ninety (90) calendar days after the date when payment is due under such judgment, decree, order, or award; or (ii) the relevant period provided by Applicable Law.

8. **Writ and Similar Process Default.** Any writ, warrant of attachment or execution, or similar process shall be issued or levied against all or substantially all of the Issuer's assets, and such writ, warrant, or similar process shall not be released, vacated, or fully bonded within sixty (60) days after its issue or levy (or such longer period as the Issuer satisfies the Majority Bondholders as appropriate under the circumstances).

Consequences of Default

Declaration by the Trustee or the Majority Bondholders

1. If any one or more of the Events of Default shall occur and be continuing, the Trustee, upon the written direction of the Bondholders holding at least two-thirds (2/3) of the outstanding amount of the First Tranche Bonds, by notice in writing delivered to the Issuer, may declare the principal of the First Tranche Bonds then outstanding, including all interest accrued and unpaid thereon and all amounts due thereunder, to be due and payable immediately, anything contained in the Trust Agreement or in the First Tranche Bonds to the contrary notwithstanding.

2. The provision above, however, is subject to the condition that, except in the case of a Writ and Similar Process Default, under paragraph 8 of the Events of Default, the Majority Bondholders, by written notice to the Issuer and to the Trustee, may rescind and annul such declaration made by the Trustee pursuant to a consequence of default and its consequences, upon such terms, conditions and agreements, if any, as they may determine, including, in connection with a Cross Default, the fact that the non-payment of the obligation is contested in good faith by the Issuer; provided, that, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereto. Any such waiver shall be conclusive and binding upon all the Bondholders and upon all future holders and owners of such First Tranche Bonds, or of any First Tranche Bond issued in lieu thereof or in exchange therefor, irrespective of whether or not notation of such waiver is made upon the First Tranche Bonds.

3. At any time after an Event of Default shall have occurred, the Trustee may:

    a. by notice in writing to the Issuer, the Registrar and Paying Agent, require the Registrar and Paying Agent to:

        i. hold all sums, documents and records held by them in respect of the First Tranche Bonds on behalf of the Trustee; and/or

        ii. deliver all evidence of the First Tranche Bonds and all sums, documents and records held by them in respect of the First Tranche Bonds to the Trustee or as the Trustee shall direct in such notice; provided, that, such notice shall be deemed not to apply to any document or record which the Registrar and Paying Agent is not obliged to release by any Applicable Law; and

    b. by notice in writing to the Issuer, require the Issuer to make all subsequent payments in respect of the First Tranche Bonds to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn.

Notice of Default

The Trustee shall, within ten (10) days after the occurrence of an Event of Default give to the Bondholders written notice of any such Event of Default known to it unless the same shall have been cured before the giving of such notice; provided, that, in the case of a Payment Default under paragraph 1 of the Events of Default, the Trustee shall, upon written notice from the Paying Agent of the Issuer's failure to pay any amount of principal or interest which the Issuer is obligated to pay the Bondholders under the Trust Agreement and the First Tranche Bonds, immediately notify the Bondholders upon the occurrence of such Payment Default; The existence of a written notice required to be given to the Bondholders under this Section shall be published in two (2) newspapers of general circulation in Metro Manila, Philippines for two (2) consecutive days, indicating in the published notice that the Bondholders or their duly authorized representatives may obtain an important notice regarding the First Tranche Bonds at the principal office of the Trustee as indicated in the Trust Agreement upon presentation of sufficient and acceptable identification to the Trustee.

Subject to Applicable Law, in case of the occurrence of an Event of Default, the Issuer shall authorize the Registrar to provide the Trustee with the list of Bondholders containing the names and addresses of the Bondholders, the amount of the First Tranche Bonds held by them, and such other information as may be agreed upon between the Registrar and the Issuer or a confirmation stating that the relevant Bondholder is included in the list of Bondholders in the Registry Book.

Penalty Interest

In case any amount payable by the Issuer under the First Tranche Bonds, whether for principal, interest, fees due to the Trustee, Registrar and Paying Agent or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest and other amounts, pay penalty fee on the defaulted amount(s) at the rate of two percent (2%) p.a. (the "**Penalty Interest**") from the time the amount fell due until it is fully paid.

Payments in the Event of Default

The Issuer covenants that upon the occurrence of any Event of Default, the Issuer will pay to the Bondholders, through the Paying Agent, the whole amount which shall then have become due and payable on all such outstanding First Tranche Bonds with interest at the rate borne by the First Tranche Bonds on the overdue principal and with Penalty Interest, where applicable, and in addition thereto the Issuer will pay to the Trustee such further amounts as shall be determined by the Trustee to be sufficient to cover the cost and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any reasonable expenses or liabilities incurred in furtherance of the Trust Agreement and without negligence or bad faith by the Trustee hereunder.

Upon the occurrence of an Event of Default and in accordance with the requirements of the Trust Agreement, the Bondholders shall have the right, but not the obligation, to require the Issuer to redeem the First Tranche Bonds in full, by payment of the amounts stated above, plus the principal amount, by delivery of the relevant evidence of the First Tranche Bonds to the Trustee.

Application of Payments

Any money collected by the Trustee and any other funds held by it through the Registrar and Paying Agent or any other agent appointed by the Trustee in connection with the First Tranche Bonds, subject to any other provision of the Trust Agreement and the Registry and Paying Agency Agreement relating to the disposition of such money and funds, shall be applied by the Registry and Paying Agent in the order of preference as follows:

First: To the payment of the costs, expenses, fees and other charges of collection, including reasonable compensation to the Trustee, Registrar and Paying Agent, and each such Person's agents, attorneys and counsel, and all reasonable expenses and liabilities incurred or disbursement made by the Trustee and the Registrar without negligence or bad faith.

Second: To the payment of Penalty Interest.

Third: To the payment of the interest, in the order of the maturity of such interest.

Fourth: To the payment of the principal amount of the outstanding First Tranche Bonds due and payable.

Fifth: The remainder, if any, shall be paid to the Issuer, its successors or assigns, or to whosoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Except for any interest and principal payments, all disbursements of the Registrar and Paying Agent in relation to the First Tranche Bonds shall require the conformity of the Trustee. The Registrar and Paying Agent shall render a monthly account of such funds under its control.

Remedies

All remedies conferred by the Trust Agreement to the Trustee and the Bondholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Bondholders of any legal remedy by judicial or extrajudicial proceedings appropriate to enforce the conditions and covenants of the Trust Agreement, subject to Section 10.6 of the Trust Agreement.

No delay or omission by the Trustee or by any Bondholder to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto, and every power and remedy given in the Trust Agreement to the Trustee or to the Bondholder may be exercised from time to time and as often as may be necessary or expedient.

Ability to File Suit

No Bondholder shall have any right by virtue of or by availing of any provision of the Trust Agreement to institute any suit, action or proceeding for the collection of any sum due from the Issuer hereunder on account of principal, interest and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless all of the following conditions have been fulfilled: (1) such Bondholder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Bondholders to take up matters related to their rights and interests under the First Tranche Bonds, and (2) the Majority Bondholders shall have decided and made a written request upon the Trustee to institute such suit, action or proceeding in its own name, and (3) the Trustee for sixty (60) days after receipt of such notice and request shall have neglected or refused to institute any such suit, action or proceeding, unless such failure was due to any circumstance beyond its control, and (4) no directions inconsistent with such written request or waiver of default by the Bondholders shall have been made, it being understood and intended, and being expressly covenanted by every Bondholder with every other Bondholder and the Trustee, that no one or more Bondholder shall have any right in any manner whatsoever by virtue of or by availing of any provision of the Trust Agreement to affect, disturb or prejudice the rights of the holders of any other such Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Agreement, except in the manner herein provided and for the equal, ratable and common benefit of all Bondholders. For the protection and enforcement of the provisions of this Section, each and every Bondholder and the Trustee shall be entitled to such relief as can be given under the Applicable Law.

Waiver of Default by Bondholders

The Majority Bondholders may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, or the Majority Bondholders may decide for and in behalf of the Bondholders to waive any past default except the Payment Default, Insolvency Default, and Closure Default, and its consequences. In case of any such waiver, written notice of which shall be given to the Trustee, the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority Bondholders shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the First Tranche Bonds.

Prescription

Claims in respect of principal and interest or other sums payable as a consequence of an Event of Default shall prescribe unless made within ten (10) years (in the case of principal or other sums) or five (5) years (in the case of interest) from the date on which payment becomes due.

Meetings of Bondholders

Meetings

A meeting of Bondholders may be called at any time and from time to time pursuant to the provisions of this Section for the purpose of taking any action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of Bonds under any other provisions of the Trust Agreement or under Applicable Law and such other matters related to the rights and interests of the Bondholders under the First Tranche Bonds. The Issuer shall authorize the Registrar and Paying Agent to provide the Trustee with the list of Bondholders containing the same information as required in Section 10.2, paragraph 2 of the Trust Agreement, or a confirmation stating that the relevant Bondholder is included in the list of Bondholders in the Registry Book for purposes of calling a meeting of the Bondholders.

Notice of Meetings

The Trustee may at any time call a meeting of the Bondholders, or the Majority Bondholders may direct in writing the Trustee to call a meeting of the Bondholders, to take any action specified herein, to be held at such time and at such place or mode as the Trustee shall determine. Notice of every meeting of Bondholders, setting forth the time and the place (or, if via electronic means, the mode) of such meeting and the purpose of such meeting in reasonable detail, shall be issued by the Trustee and sent by the Trustee to the Issuer and to each of the registered Bondholders or published in two (2) newspapers of general circulation in Metro Manila, Philippines not earlier than forty-five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting. All reasonable costs and expenses incurred by the Trustee for the proper dissemination of the notices for the requested meeting, including the cost of the venue and other related expenses for the meeting, shall be reimbursed by the Issuer within ten (10) days from receipt of the duly supported statement of account.

Failure of Trustee to Call a Meeting

In case at any time the Issuer, pursuant to a resolution of its Board, or the requisite number of Bondholders shall have requested and funded the Trustee to call a meeting of the Bondholders by written request setting forth in reasonable detail the purpose of the meeting, and the Trustee shall not have mailed and published, the notice of such meeting within fifteen (15) Banking Days after receipt of such request, then the Issuer or such Bondholders may determine the time and place for such meeting and may call such meeting by mailing and publishing notice thereof, and the costs thereof shall be chargeable to the Trustee, except when such failure is beyond the control of the Trustee.

Quorum

The presence of the Majority Bondholders personally or by proxy shall be necessary to constitute a quorum to do business at any meeting of the Bondholders. The Trustee shall determine and record the presence of the Majority Bondholders, personally or by proxy. The Trustee shall rely on the records provided by the Registrar and Paying Agent and shall be held free and harmless for such reliance.

Procedure for Meetings

The Trustee shall preside at all the meetings of the Bondholders unless the meeting shall have been called by the Issuer or by the Bondholders, in which case the Issuer or the Bondholders calling the meeting, as the case may be, shall move for the election of the chairman and secretary of the meeting from among the Bondholders then present or represented during the meeting.

Any meeting of the Bondholders duly called pursuant to the provisions of this Section may be adjourned from time to time for a period or periods not to exceed in the aggregate one (1) year from the date for which the meeting shall originally have been called, and the meeting so adjourned may be held on another date without further notice. Any such adjournment may be ordered by Persons representing a majority of the aggregate principal amount of the First Tranche Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

In the event consent/s are requested from the Bondholders, the Bondholders' records with the Registrar as of the immediately preceding month-end prior to the date of the request shall be used by the Trustee until the results of the exercise is completed. Transfers or changes to ownership during any exercise shall be disregarded by the Trustee. Notwithstanding the foregoing, if the Registrar determines the record date of Bondholders according to its Agreements then such listing shall prevail and the Trustee shall rely on such records.

Voting Rights

To be entitled to vote at any meeting of the Bondholders, a person shall be a registered holder of the First Tranche Bonds or a person appointed by an instrument in writing as proxy by any such holder as of the date of such meeting. Bondholders shall be entitled to one (1) vote for every Ten Thousand Pesos (₱10,000.00) interest. The only persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the Persons entitled to vote at such meeting and any representative of the Issuer and its legal counsel.

Voting Requirement

All matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the majority of the Bondholders present or represented in a meeting at which there is a quorum, except as otherwise provided in the Trust Agreement.

Any resolution of the Bondholders which has been duly approved with the required number of votes of the Bondholders as herein provided shall be binding upon all the Bondholders and the Trustee as if the votes were unanimous.

Role of the Trustee in Meetings of Bondholders

Notwithstanding any other provisions of the Trust Agreement, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the Bondholders, with regard to proof of ownership of the First Tranche Bonds, the appointment of proxies by registered holders of the First Tranche Bonds, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidences of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem fit. The minutes of each meeting and any resolution made thereat shall be taken by the Trustee.

Evidence Supporting Bondholders' Action

Wherever in the Trust Agreement it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of the First Tranche Bonds may take any action (including the making of any demand or request, the giving of any notice or consent, or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by: (i) any instrument executed by the Bondholders in person or by the agent or proxy appointed in writing; (ii) the duly authenticated record of voting in favor thereof at the meeting of the Bondholders duly called and held in accordance herewith; or (iii) a combination of such instruments and any such record of meeting of the Bondholders. The Trustee shall rely on the Registrar to authenticate all Bondholders' signature at all times.

Duties and Responsibilities of the Trustee

1. The Trustee shall coordinate with the Issuer, the Joint Lead Underwriters and Joint Bookrunners, and the Registrar and Paying Agent in relation to the performance of their respective responsibilities under the relevant Transaction Documents.

2. The Trustee shall act as trustee for and in behalf of the Bondholders and as such shall, in accordance with the terms and conditions of the Trust Agreement, monitor the compliance or non-compliance by the Issuer with all its representations and warranties, and the Issuer's observance of all its covenants and performance of all its obligations, under and pursuant to the Trust Agreement. The Trustee shall observe due diligence in the performance of its duties and obligations under the Trust Agreement. For the avoidance of doubt, notwithstanding any actions that the Trustee may take, the Trustee shall remain to be the party responsible to the Bondholders, and to whom the Bondholders shall communicate with in respect to any matters to be taken up with the Issuer.

3. The Trustee shall report regularly to the Bondholders any non-compliance by the Issuer with the Trust Agreement and, to the best of Trustee's knowledge, any development with respect to the Issuer based on official disclosures to the PDEx, PSE, SEC, or other regulatory agencies and that adversely affects the interest of the Bondholders, including any default by the Issuer on any of its obligations of which the Trustee may have knowledge based on official disclosures to the PDEx, PSE, SEC, or other regulatory agencies; provided, that for purposes hereof, the Trustee shall, without need of any further act or notice to the Issuer, publish a notice once in a newspaper of

general circulation, binding upon all the Bondholders wherever situated or located, that the Bondholders or their duly authorized representatives may obtain a report regarding the First Tranche Bonds at the principal office of the Trustee upon presentation of sufficient and acceptable identification and Registrar's confirmation.

4. The Trustee shall have custody of and hold in its name, for and on behalf of the Bondholders, the Master Certificate of Indebtedness for the total issuance of the First Tranche Bonds.

5. The Trustee shall promptly and faithfully carry out the instructions or decisions of the Bondholders issued or reached in accordance with Section 11 of the Trust Agreement.

6. The Trustee may, from time to time, request the Issuer to submit such certification of its officers, reports of its external auditors, and other documents relating to the Issuer's ability to comply with its obligations under the First Tranche Bonds and the Trust Agreement, as well as to examine such records of the Issuer as may be related to the Issuer's obligations under the First Tranche Bonds and the Trust Agreement.

   The request shall be reasonable, made not less than seventy-hours (72) hours prior to the intended date of examination and shall be in writing to the Issuer which shall include, in reasonable detail, the purpose for such request and the intended use of the requested documents or information. The Issuer may require the Trustee, its directors, officers, employees, representatives, agents, partners, consultants and advisors to hold in confidence such documents and information furnished to the Trustee pursuant to said request or to limit the use thereof for the purpose intended as stated in the request, provided such limitation shall not apply if in conflict with the duties and responsibilities of the Trustee under any provision of the Trust Agreement.

7. The Trustee shall, prior to the occurrence of an Event of Default or after curing or waiver of any Event of Default which may have occurred, perform only such duties as are specifically set forth in the Trust Agreement. In case of an Event of Default, the Trustee shall exercise such rights and powers vested in it by the Trust Agreement, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs under similar circumstances.

8. The Trustee shall inform the Bondholders of any event, breach of representations and warranties, and Event of Default within a reasonable period from the time that the Trustee learns or is informed of such event.

   As to the Bondholders, the Trustee may presume that no Event of Default has occurred and the Issuer has complied with all its representations, warranties and covenants until it has received notice or has actual knowledge thereof.

9. Upon written request by the Issuer no later than 11:30 a.m. on a Banking Day, the Trustee shall send notice of any matter to the Bondholders, other than those matters notice of which is specifically required to be given to the Bondholders by another party under the Trust Agreement. If required, a copy of such notice shall be sent to the Registrar.

10. Except as may be necessary to perform its duties under this Agreement and as required by Applicable Law, the Trustee (i) shall permanently keep privileged and confidential, separate and distinct, any information, data, documents, files, properties, funds, or any other matter which it may acquire pursuant to this Agreement or obtained in the course of the performance of its duties and functions as a Trustee; (ii) shall refrain from disclosing any such information or item in any manner, whether written, verbal, telegraphic, coded, or encrypted, whether in physical, electronic, or any other form or media; and (iii) hereby undertakes not to use any such information or item for its own benefit or for the benefit of any of its clients regardless of whether or not such use can be shown to cause disadvantage, injury, or damage to the Issuer; provided, that where any disclosure of the foregoing information is required by Applicable Law, the Trustee shall properly apprise the Issuer of such disclosure and give reasonable opportunity to the Issuer to consider the same. This Section shall survive termination of the Trust Agreement.

11. The Trustee shall perform such other powers and functions as provided for elsewhere under the Trust Agreement.

Amendment or Supplemental Agreements

With the written consent of the Majority Bondholders, the Issuer, when authorized by a resolution of its Board, and the Trustee may, from time to time and at any time, enter into an agreement or agreements supplemental hereto for the purpose of adding any provision to or changing in any manner or eliminating any of the provisions of the Trust Agreement; provided, however, that no such supplemental agreement shall:

1. Without the consent of each Bondholder affected thereby:

    a. extend the fixed maturity of the relevant Series A Bonds, Series B Bonds, and/or Series C Bonds;
    b. reduce the principal amount of the relevant Series A Bonds, Series B Bonds, and/or Series C Bonds;
    c. reduce the rate or extend the time of payment of interest and principal thereon;
    d. subordinate the Bonds to any other obligation of the Issuer;
    e. make the Bonds payable in money other than that stated in the Bonds;
    f. reduce the amount payable upon the redemption or repurchase of any Bond under the terms and conditions of the Bonds, or change, alter or modify the periods in which any bond may be redeemed;

2. Affect the rights of some of the Bondholders without similarly affecting the rights of all the Bondholders; or

3. Reduce the percentage required to be obtained of the Bondholders to consent to or approve any supplemental agreement or any waiver provided for in the Trust Agreement without the consent of all the Bondholders.

The Issuer and the Trustee may amend or waive any provisions of the Transaction Documents and it shall not be necessary to send a prior notice to, or obtain the consent of, the Bondholders under this Section for the purpose of:

i. approving the particular form of any proposed supplemental agreement but such consent shall be necessary for the purpose of approving the substance thereof; and
ii. any such amendment or waiver that is of a formal, minor, or technical nature or to correct a manifest error or inconsistency, without prior notice to or the consent of the Bondholders provided in all cases that such amendment or waiver does not adversely affect the interests of the Bondholders and provided further that all Bondholders are notified of such amendment or waiver.

Any consent given shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof or of any Bonds issued in lieu thereof or in exchange therefor, irrespective of whether or not any notation of such consent is made upon the First Tranche Bonds.

Promptly after the execution by the Issuer and the Trustee of any supplemental agreement, the Issuer shall send a notice to the Bondholders setting forth in general terms the substance of such supplemental agreement. Any failure of the Issuer to send such notice or any defect therein shall not, however, in any way impair or affect the validity of any supplemental agreement.

Miscellaneous Provisions

Waiver of Preference

In the event that a primary obligation for payment shall arise out of the Trust Agreement, such as to constitute the Trust Agreement as a contract for the payment of an indebtedness or a loan, then it is understood and expressly agreed by the parties hereto that the obligation created under the Trust Agreement shall not enjoy any priority, preference or special privileges whatsoever over any indebtedness or obligations of the Issuer. Accordingly, whatever priorities or preferences that the Trust Agreement may have or any person deriving a right hereunder may have under Article 2244, paragraph 14 of the Civil Code of the Philippines are hereby absolutely and unconditionally waived and renounced.

Notice

Any notice or demand authorized by the Trust Agreement to be given to the Issuer and the Trustee shall be sufficiently given for all purposes hereof, if delivered or mailed at their respective addresses mentioned herein or at such address designated by them subsequently in writing.

Notices to the Bondholders shall be sent to their mailing address as set forth in the Registry Book. Except where a specific mode of notification is provided for herein, notices to Bondholders shall be sufficient when made in writing and transmitted in any of the following modes: (i) registered mail; (ii) reputable surface mailing service; (iii) reputable overnight courier service (postage prepaid); (iv) electronic mail; (v) one-time publication in a newspaper of general circulation in the Philippines; or (vi) personal delivery to the address of record in the Registry Book; or (vii) disclosure through the online disclosure system of the PDEx. The Trustee shall rely on the Registry Book provided by the Registrar, in determining the Bondholders entitled to notice.

All notices to the Issuer and the Trustee shall be deemed served or given when sent via email; provided, that no bounce mail, error or send failure notification is received by the sender.

All notices hereunder shall be delivered as set forth below:

If to the Issuer:	Aboitiz Power Corporation	NAC Tower, 32nd Street Bonifacio Global City, Taguig Attention: Ma. Racquel J. Bustamante, Treasurer/ Senior Vice President – Deputy Chief Financial Officer
If to the Joint Lead Underwriters and Bookrunners:	BDO Capital & Investment Corporation	17th Floor BDO Equitable Tower 8751 Paseo de Roxas, Salcedo Village Makati City 1226 Attention: Allen T. Tenedero, Vice President Tel. No.: 8407000 local 36887 Email: tenedero.allen@bdo.com.ph
	First Metro Investment Corporation	45th Floor, GT Tower International 6813 Ayala Ave. corner H.V. dela Costa St., Makati City Attention: John Wesley M. Peralta, First Vice President Tel. No.: (02) 8858 7900 Email: john.wesley.peralta@firstmetro.com.ph

	Union Bank of the Philippines	Debt Capital Markets 23F Union Bank Plaza, Meralco Avenue corner Onyx and Sapphire Roads, Ortigas Center, Pasig City Attention: Michael L. Chong Senior Vice President, Head of Debt Capital Markets Contact number: +63917 825 0774 E-mail: mlchong@unionbankph.com
	China Bank Capital Corporation	Address: 28th Floor, BDO Equitable Tower 8751 Paseo de Roxas, Makati City Attention: Ryan Martin L. Tapia Position: President Telephone: (632) 8230-6602 Email: rmltapia@chinabank.ph With a copy to: jpecolet@chinabank.ph
	Land Bank of the Philippines	Address: 15th Floor, LANDBANK Plaza 1598 M.H. del Pilar corner Dr. J. Quintos Sts. Malate, Manila 1004 Attention: Vilma B. Cervantes Senior Vice President, Investment Banking Group Email: VBCERVANTES@landbank.com Telephone No: +632 8405 7326
	PNB Capital and Investment Corporation	Address: 9th Floor, PNB Financial Center, Pres. Diosdado Macapagal Blvd., Pasay City 1300 Attention: Gerry B. Valenciano Position: President and CEO E-mail: valencianogb@pnb.com.ph Contact number: 0917-854-6860
	Security Bank Capital Investment Corporation	18F Security Bank Centre 6776 Ayala Avenue, Makati City, Philippines 1229 Attention: Virgilio O. Chua Telephone: +63 917 857 9021 Email: vchua@securitybank.com.ph
If to the Trustee:	**BDO Unibank, Inc. – Trust and Investments Group**	14th Floor, BDO Towers Valero, 8741 Paseo De Roxas, Salcedo Village Makati City 1226 Philippines Attention: Rachelle Ann C. Mendiola / Emily Bello / Gilbert Alcantara Contact Number:(632) 8878-4237 E-mail: rcm@bdo.com.ph bello.emily@bdo.com.ph alcantara.gilbert@bdo.com.ph

All notices to Bondholders shall be deemed to have been received (i) ten (10) days from posting if transmitted by registered mail; (ii) fifteen (15) days from mailing if transmitted by a reputable surface mailing service; (iii) upon the next business day, if sent by reputable overnight courier service; (iv) on the date of transmission, if transmitted by electronic mail; provided, that no bounce mail, error or send failure notification is received by the sender; (v) on date of publication; (vi) on date of delivery, for personal delivery; or (vii) on the date of posting through the online disclosure system of PDEx, as applicable.

Binding and Conclusive Nature

Except as provided under the Trust Agreement, all notifications, opinion, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Trustee for the purposes of the provisions of the Trust Agreement, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, and all Bondholders and (in the absence of willful default, bad faith or manifest error) no liability to the Issuer, the Registrar and Paying Agent or the Bondholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions under the Trust Agreement, resulting from the Trustee's reliance on the foregoing.

Successors and Assigns

This Agreement shall be binding upon and shall be enforceable against the Issuer, the Trustee and the Bondholders and their respective successors and assigns; provided, however, that the Issuer shall not have the right to transfer or assign any and all of its rights or obligations herein without the prior written consent of the Bondholders representing at least two-thirds (2/3) of the aggregate outstanding principal amount of the First Tranche Bonds.

Validity of Provisions

If any provision, term or condition hereof or the application thereof to any Person or circumstance is declared invalid, the other provisions, terms or conditions hereof or the application hereof to any Person or circumstance shall not be affected and shall continue to be in full force and effect.

Venue

Any legal action or proceeding arising out of, or in connection with, the Trust Agreement and the First Tranche Bonds and any and all related documents and papers, shall be brought in the proper courts of Makati City or Taguig City, Metro Manila, Philippines, at the option of the complaining party, to the exclusion of any other court.

Dispute Settlement

In case any dispute shall arise between the Issuer, the Trustee or any of the Bondholders in respect of the Trust Agreement, or other related agreements or arrangements, the Issuer, the Trustee or any of the Bondholders shall attempt to resolve the same amicably by agreement which shall be in writing. However, if no such agreement is concluded within thirty (30) Banking Days from the time the dispute arose, or such period as may be reasonable under the circumstances, the parties may have recourse to the usual judicial action that may be obtained under the circumstances.

No Right to Set-Off

The Trustee shall have no right to apply funds or money of the Issuer on deposit with or in the custody of the Trustee or any of its branches, subsidiaries, or affiliates on reduction of amounts past due under the Trust Agreement.

Non-Reliance

Each Bondholder represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of the Issuer on the basis of such documents and information as it has deemed appropriate and that it has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature against the Trustee in respect of its obligations hereunder, except for its gross negligence or willful misconduct.

Non-coverage of PDIC

The Bondholders understand and acknowledge that investments in the First Tranche Bonds are not covered by the Philippine Deposit Insurance Corporation ("**PDIC**") and that any loss or depreciation in the value of the assets of the Bondholders, resulting from the investments or reinvestment in the First Tranche Bonds and the regular conduct of the Trustee's trust business shall be for the account of the Bondholder.

Governing Law

The First Tranche Bonds issued hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the Republic of the Philippines.

THE COMPANY

Full information on the Group and the Offer is contained in this Prospectus, subject to such modification as may be communicated by the Issuer from time to time. The following section is qualified in its entirety by, and should be read in conjunction with, the more detailed information contained in the Prospectus and audited financial statements, including notes thereto.

Aboitiz Power Corporation ("**AboitizPow**er") is a publicly-listed company incorporated on, and has been in business since, February 13, 1998. AboitizPower was incorporated as a holding company for the Aboitiz Group's investments in electricity generation and distribution. Ownership in AboitizPower was opened to the public through an initial public offering of its common shares in the PSE on July 16, 2007.

As of May 15, 2025, AboitizPower had a market capitalization of ₱261.425 bn, with a common share price of ₱38.50 per share.

AboitizPower has four strategic business units:

(a) Power Generation, where AboitizPower is among the largest in the country, in terms of overall installed capacity[7];

(b) Power Distribution, where AboitizPower is the second largest private utility operator, in terms of captive customer connections and energy sales[8];

(c) Retail Electricity Supply (RES), where the aggregate contract capacity of the AboitizPower RES companies has the second highest number of customers in terms of facility count, the largest in terms of contract capacity in megawatts (MW), and the largest total retail market share[9]; and

(d) Distributed Energy.

As of March 24, 2025, after a series of transactions related to the share buy-back program initiated in 2023, AEV owns 53.09% of the outstanding capital stock of AboitizPower, 27.57% is owned by JERA Asia, while about 1.86% is owned by directors, officers, and other related parties; the remainder is owned by the public.10

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[7]Based on ERC Resolution No. 07, series of 2025, dated March 13, 2025.

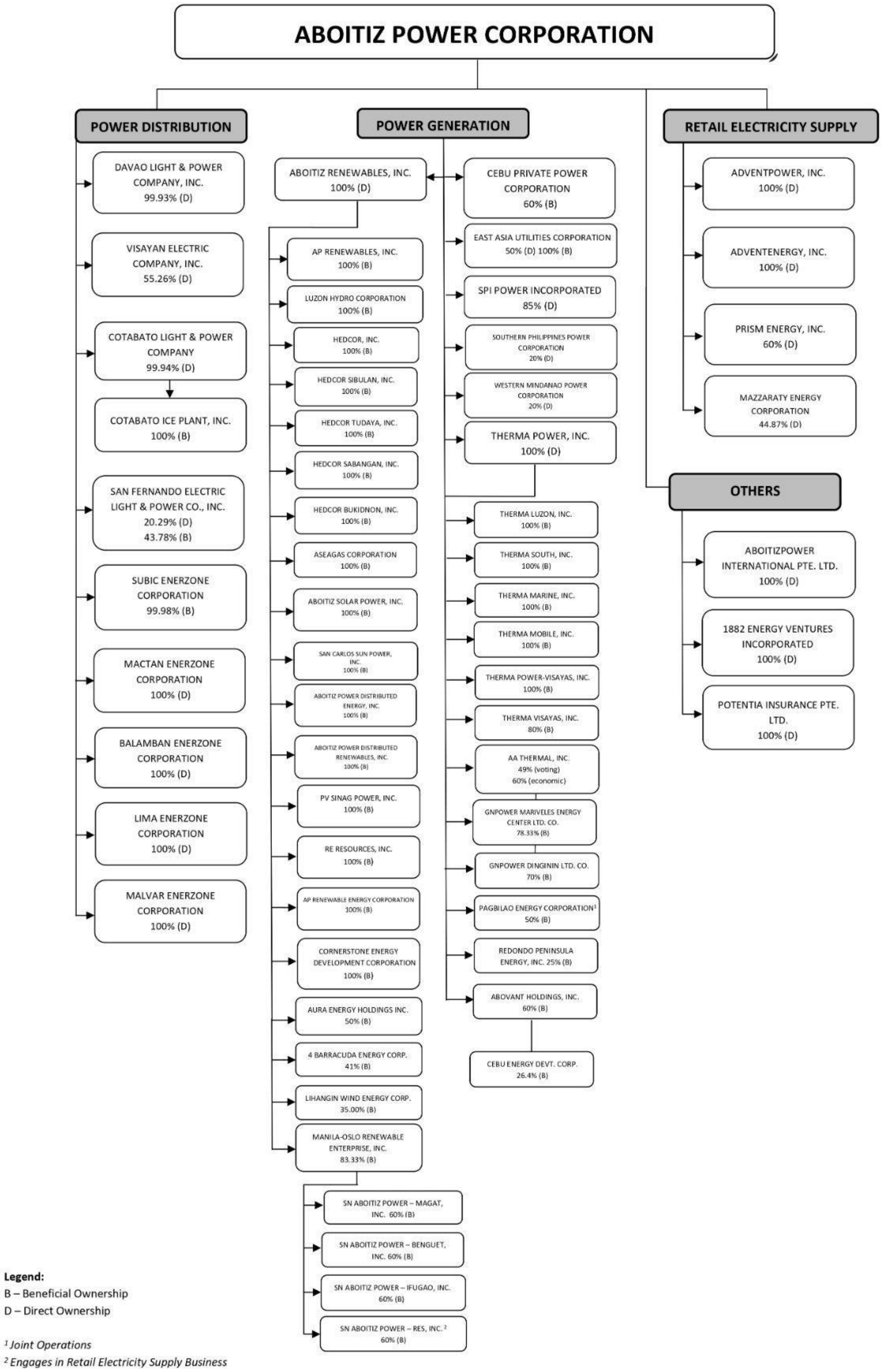
[8] Based on DOE's Distribution Development Plan 2023-2032

[9] ERC Competitive Retail Electricity Market (CREM) and Green Energy Option Program (GEOP) Monthly Statistical Data as of December 2024

[10] Taking into account the total issued shares (which includes treasury shares acquired by the Company through the share buy-back program), AEV holds approximately 51.99% of the issued shares of AboitizPower, 27.00% is with JERA Asia, and 1.81% is owned by directors, officers, and other related parties.

BRIEF HISTORY OF ABOITIZPOWER AND ITS SIGNIFICANT SUBSIDIARIES

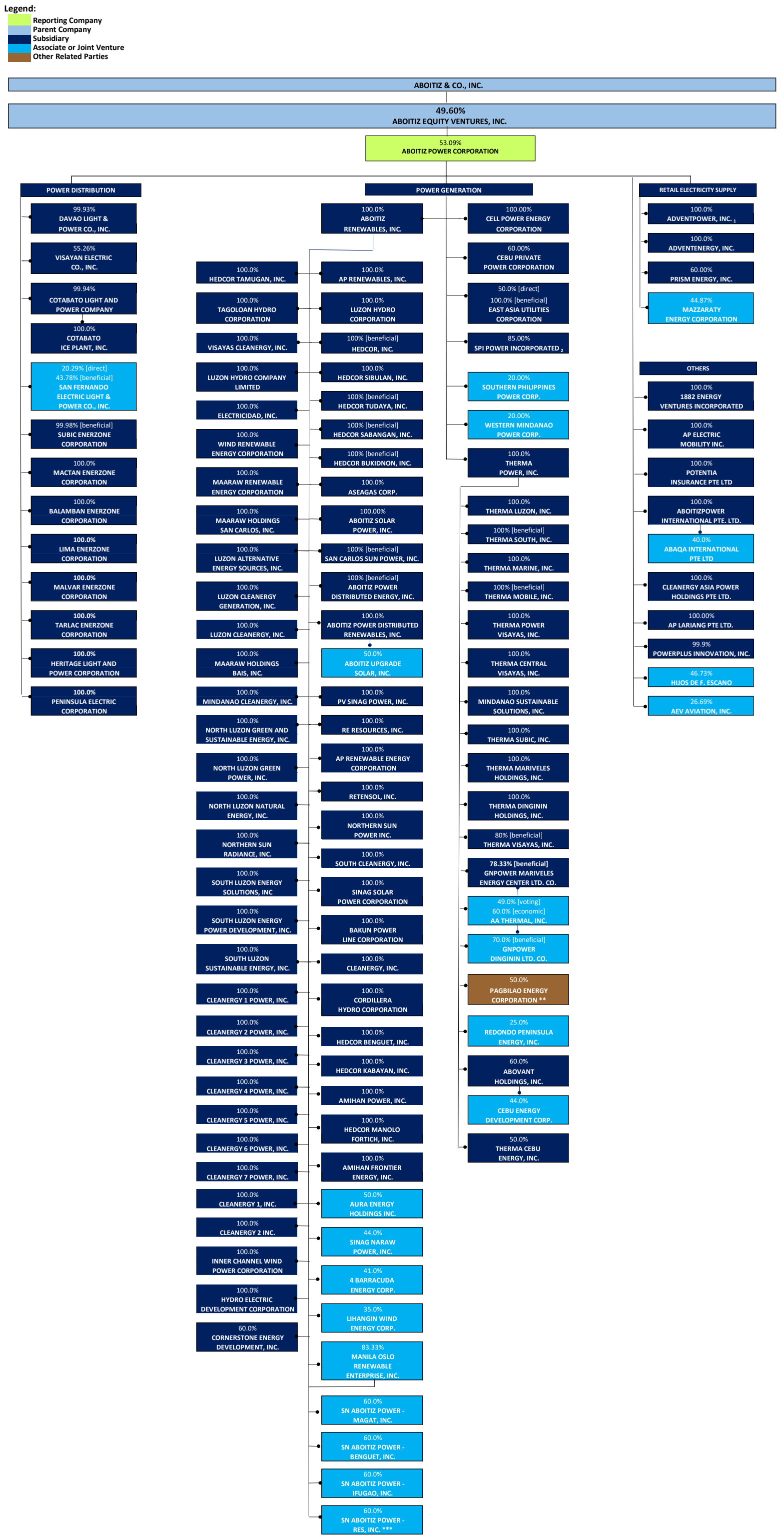
Aboitiz Power Corporation
Conglomerate Map of December 31, 2024



ABOITIZ POWER CORPORATION

CONGLOMERATE MAPPING

As of December 31, 2024



1 *formerly, Aboitiz Energy Solutions, Inc.*

2 *formerly, STEAG State Power, Inc.*

** Joint Operations

*** Engages in retail electricity supply business

Business Development

Through its Subsidiaries and Affiliates, AboitizPower has become a leader in the Philippine power industry with a presence in the power generation, distribution, and retail electricity supply markets. AboitizPower, which has the largest portfolio of installed renewable electricity capacity in the country to date11, is a pioneer in building and operating run-of-river hydropower plants in the country. The Company continues to pursue energy projects to help ensure the Philippines' energy system is secure and is able to reliably support aggregate electricity demand.

AboitizPower's portfolio of power generating assets strategically consists of a mix of renewable and non-renewable power plants. AboitizPower's baseload coal and geothermal plants and intermediate and peaking hydropower, solar, and oil-based power plants enable the Company to effectively address the country's growing aggregate energy demand. Most of AboitizPower's plants are also capable of providing ancillary services, which is critical in stabilizing grid operations. AboitizPower has an installed capacity which is equivalent to 22. 47% market share of the national grid's installed generating capacity[12]. As of March 4, 2025, AboitizPower, through its Subsidiaries, Joint Ventures, and Associates, had a total of 6,179 MW net sellable capacity, of which 4,636 MW is attributable capacity. The Company continues to grow its portfolio of generation assets with renewables and selective baseload builds AboitizPower's renewable investments are held primarily through its wholly-owned Subsidiary, ARI, along with ARI's Subsidiaries and Joint Ventures.

AboitizPower also owns interests in nine Distribution Utilities in Luzon, Visayas, and Mindanao, including Visayan Electric Company, Inc. ("**Visayan Electric**") and Davao Light & Power Co., Inc. ("**Davao Light**"), the second and third largest distribution utilities in the Philippines, respectively in terms of customer size and annual sales. AboitizPower's Subsidiaries engaged in the distribution of electricity sold a total of 8,886,926 MWh in 2024.

AboitizPower's power generation business supplies power to various customers under power supply contracts, ancillary service procurement agreements ("**ASPA**"), and for trading in the Wholesale Electricity Spot Market ("**WESM**"). The power distribution business is engaged in the distribution and sale of electricity to end-users, and the RES and Others segment includes retail electricity sales to various off-takers that are considered eligible Contestable Customers and provision of electricity-related services, such as conducting energy audits, preventive maintenance services, and installation of digital power monitoring systems. AboitizPower's Subsidiaries engaged in the supply of retail electricity sold a total of 6.09 Terawatt hours ("**TWh**") in 2024.

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

History and Milestones

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

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

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[11] Based on ERC Resolution No. 07, series of 2025, dated March 13, 2025.

[12] Ibid.

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

The table below sets out milestones in AboitizPower's development since 1998:

Year	Milestones
1998	*Incorporated as a holding company for the Aboitiz Group's investments in power generation and distribution.*
2005	*Consolidated its investments in mini-hydroelectric plants in a single company by transferring all of HEDC's and Cleanergy's mini hydroelectric assets to Hedcor, Inc. ("**Hedcor**").*
2007	*Entered into a share swap agreement with AEV in exchange for AEV's ownership interest in the following distribution utilities:* *(i) An effective 55% equity interest in Visayan Electric;* *(ii) A 100% equity interest in each of Davao Light and Cotabato Light;* *(iii) An effective 64% ownership interest in Subic Enerzone Corporation ("**Subic Enerzone**"); and* *(i) An effective 44% ownership interest in San Fernando Electric Light & Power Co., Inc. ("**SFELAPCO**").*
	As part of the reorganization of the power-related assets of the Aboitiz Group, the Company: *(i) Acquired 100% interest in Mactan Enerzone Corporation ("**Mactan Enerzone**") and 60% interest in Balamban Enerzone Corporation ("**Balamban Enerzone**") from Aboitiz Land, Inc. ("**AboitizLand**"); and* *(ii) Consolidated its ownership interests in Subic Enerzone by acquiring the combined 25% interest in Subic Enerzone held by AEV, SFELAPCO, Okeelanta Corporation, and Pampanga Sugar Development Corporation.* *These acquisitions were made through a Share Swap Agreement, which involved the issuance of the Company's 170,940,307 common shares issued at the IPO price of ₱5.80 per share in exchange for the foregoing equity interests in Mactan Enerzone, Balamban Enerzone, and Subic Enerzone.*
	*Together with its partner, Statkraft Norfund Power Invest AS of Norway, through SN Aboitiz Power-Magat, Inc. (SN Aboitiz Power-Magat), acquired possession and control of the Magat Plant following its successful bid in an auction by the Power Sector Assets and Liabilities Management Corporation ("**PSALM**").*
	*Formed Abovant Holdings, Inc. (Abovant) with the Vivant Group as the investment vehicle for the construction and operation of a coal-fired power plant in Toledo City, Cebu ("**Cebu Coal Project**"). Abovant entered into a Memorandum of Agreement (MOA) with Global Business Power Corporation ("**Global Power**") of the Metrobank group for the acquisition of a 44% equity interest in Cebu Energy Development Corporation ("**Cebu Energy**").*
	*Therma Power, Inc. ("**TPI**") entered into a MOA with Taiwan Cogeneration International Corporation ("**TCIC**") for the Subic Coal Project, an independent coal-fired power plant in the Subic Bay Freeport Zone. Redondo Peninsula Energy, Inc. ("**RP Energy**") was incorporated as the project company.*
	*Acquired 50% of East Asia Utilities Corporation ("**EAUC**") from El Paso Philippines Energy Company, Inc. and 60% of Cebu Private Power Corporation ("**CPPC**").*
	*Purchased 34% equity ownership in STEAG State Power, Inc. ("**SPI**") (now: SPI Power Incorporated) from Evonik Steag GmbH in August 2007.*
	Purchased Team Philippines Industrial Power II Corporation Industrial Power II Corp.'s 20% equity in Subic Enerzone.

Year	Milestones
2008	*SN Aboitiz Power–Benguet submitted the highest bid for the Ambuklao-Binga Hydroelectric Power Complex.*
	*Acquired Tsuneishi Holdings (Cebu), Inc. ("**THC**")'s 40% equity ownership in Balamban Enerzone, bringing AboitizPower's total equity in Balamban Enerzone to 100%.*
2009	*AP Renewables, Inc. ("**APRI**") acquired the 234-MW Tiwi geothermal power facility in Albay and the 449.8 MW Makiling-Banahaw geothermal power facility in Laguna (collectively referred to as the "**Tiwi-MakBan Geothermal Facilities**").*
	*Therma Luzon, Inc. (TLI) became the Independent Power Producer Administrator ("**IPPA**") for the 700-MW contracted capacity of the Pagbilao Coal-Fired Power Plant (the "**Pagbilao Plant**"), becoming the first IPPA of the country.*
2010	*Therma Marine, Inc. (TMI), acquired ownership over Mobile 1 ("**Power Barge 118**") and Mobile 2 ("**Power Barge 117**") from PSALM.*
2011	*Meralco PowerGen Corporation ("**MGen"**), TCIC, and TPI entered into a Shareholders' Agreement to formalize their participation in RP Energy. MGen took the controlling interest in RP Energy, while TCIC and TPI maintained the remaining stake equally.*
	*Therma Mobile, Inc. ("**TMO**") acquired four barge-mounted floating power plants and their operating facilities from Duracom Mobile Power Corporation and EAUC. In the same year, the barges underwent rehabilitation and started commercial operations in 2013.*
2013	*Aboitiz Energy Solutions, Inc. ("**AESI**") (now: Adventpower, Inc.) won 40 strips of energy corresponding to 40 MW capacity of Unified Leyte Geothermal Power Plant (ULGPP). The contract between AESI and PSALM with respect to the ULGPP capacity was terminated on October 26, 2019.*
2014	*TPI entered into a joint venture agreement with TPEC Holdings Corporation to form Pagbilao Energy Corporation ("**PEC**") to develop, construct, and operate the 400 MW coal-fired Pagbilao Unit 3.*
	*Therma Power-Visayas, Inc. ("**TPVI**") was declared the highest bidder for the privatization of the Naga Power Plant Complex ("NPPC"). SPC Power Corporation (SPC), the other bidder, exercised its right-to-top under the Naga Power Plant Land-Based Gas Turbine Land Lease Agreement, and PSALM declared SPC as the winning bidder. After protracted legal proceedings, TPVI accepted the turn-over for the NPPC plant on July 16, 2018.*
	*Acquired 100% of Lima Enerzone Corporation ("**Lima Enerzone**") from Lima Land, Inc. ("**Lima Land**"), then a wholly-owned Subsidiary of Aboitiz Land, Inc. (AboitizLand).*
	*TPI entered into a Shareholders' Agreement with Vivant Group, for the latter's acquisition of 20% issued and outstanding shares in Therma Visayas, Inc. ("**TVI**").*
2015	*ARI formed San Carlos Sun Power, Inc. ("**SacaSun**"), as a Joint Venture with SunEdison Philippines Helios BV (SunEdison Philippines) to explore solar energy projects. In 2017, AboitizPower International completed the acquisition of SacaSun from SunEdison Philippines, and ownership of SacaSun was consolidated in AboitizPower.*
	TSI commenced full commercial operations of its Unit 1.
2016	*TSI commenced full commercial operations of its Unit 2.*
	TPI acquired an 82.8% beneficial ownership interest in GNPower Mariveles Coal Plant Ltd. Co. (now: GNPower Mariveles Energy Center Ltd. Co. or GMEC) and a 50% beneficial ownership interest in GNPower Dinginin Ltd. Co. (GNPD).
	Through TPI, acquired the remaining 50% interest in EAUC from El Paso Philippines.
2017	*AboitizPower International completed its acquisition of SunEdison Philippines, and consolidated ownership of SacaSun.*
2018	*Aseagas permanently ceased operations of its 8.8-MW biomass plant in Lian, Batangas.*
	TPVI accepted the turnover of the Naga Power Plant Complex from PSALM.
	Pag 3 began commercial operations.
	TVI commenced commercial operations of its Unit 1.
2019	*TMO signed a Power Supply Agreement (PSA) with Manila Electric Company (Meralco), after the facility went into preservation mode on February 5, 2019. TMO re-registered again with the Independent Electricity Market Operator of the Philippines (IEMOP) on April 26, 2019.*
	AboitizPower acquired a 49% voting stake and a 60% economic stake in AA Thermal.
	TVI commenced commercial operations of its Unit 2.
2020	*TPVI started commercial operations.*

Year	Milestones
	*Announced two battery projects – the TMI Hybrid Battery Energy Storage System ("**TMI BESS**") and SN AbotizPower-Magat Battery Energy Storage System ("**Magat BESS**"). TMI BESS is located in Maco, Compostela Valley, has a storage capacity of 49 MWh, and is intended to be used for ancillary services. The facility commenced partial commercial operation last November 2022. The Magat BESS Project is for the construction of a 24 MW battery energy storage unit located in Ramon, Isabela.*
2021	*PV Sinag Power, Inc. ("**PV Sinag**"), a wholly-owned subsidiary of ARI, awarded the Engineering, Procurement, and Construction ("**EPC**") contract for the construction of its 94-megawatt peak (MWp) solar power project in Cayanga, Bugallon, Pangasinan to JGC Philippines, Inc. This is the Company's second solar facility.*
2022	*The SN Aboitiz Power Group signed construction and financing agreements for the Magat BESS project.*
	PV Sinag awarded the EPC contract for the construction of its 159-MWp Laoag and Laoag 2 solar project in Barangay Laoag, Aguilar, Pangasinan to SUMEC Complete Equipment and Engineering Co. Ltd., and Hansei Corporation.
	Acquired an additional 35.4% equity stake in SPI.
	*ARI entered into a JVA with Mainstream Renewable Power Philippines Holdings, B.V. ("**Mainstream**") for a 90-MW onshore wind project in Libmanan, Camarines Sur. In January 2025, ARI and Mainstream reached an agreement for the transfer of shares in Cornerstone Energy Development Corporation ("**CEDI**") to ARI. The closing of the agreement effectively terminates the agreements previously entered into by the parties for the development of an onshore wind project in Libmanan, Camarines Sur.*
2023	*ARI entered into a JVA with Vena Energy (Vena) for a 102-MW wind power project in Rizal and Laguna.*
	*ARI entered into a JVA with Vena and Vivant Energy Corporation ("**VEC**") for a 206-MW wind power project in San Isidro, Northern Samar.*
2024	*Signed a Share Purchase Agreement with STEAG GmbH ("**STEAG**") for the acquisition of an additional 15.6% equity stake in SPI.*
	*Through its subsidiary, Therma NatGas Power Inc. ("**TNGP**"), entered into an Investment Agreement with MGen and acquired a 40% equity interest in Chromite Gas Holdings, Inc. ("**CHGI**").*
	*Through AboitizPower International, invested in Abaqa International Pte. Ltd. ("**Abaqa**"), effectively owning 40%. Abaqa is a private limited company established in Singapore and engaged in commodity trading activities. The remaining 60% is owned by Aboitiz Food Pte. Ltd.*
2025	*On January 27, 2025, TNGP and MGen, through CGHI, completed (i) its investment in South Premiere Power Corp. ("**SPPC**"), Excellent Energy Resources Inc. ("**EERI**"), and Ilijan Primeline Industrial Estate Corp. ("**IPEIC**"), and (ii) its co-investment with San Miguel Global Power Corporation in Linseed Field Corporation.*

AboitizPower is currently involved in the distributed generation business through APX1 and APX2, and is expanding its renewable energy portfolio under its Cleanergy brand. AboitizPower's Cleanergy portfolio includes its geothermal, run-of-river hydro, and large hydropower facilities.

As of May 15, 2025, AboitizPower has 1,341 MW of attributable net sellable capacity, through its partners, under its Cleanergy brand. The Company is pushing for a balanced mix strategy – maximizing Cleanergy while taking advantage of the reliability and cost efficiency of thermal power plants.

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

Developments in the Past Three (3) Years

PV Sinag Commercial Operations

PV Sinag, a wholly-owned subsidiary of ARI, completed the construction of its 94.717-megawatt peak (MWp) solar photovoltaic (PV) power generation plant located in Barangay Cayanga, Bugallon, Pangasinan (the "**Cayanga-Bugallon Solar Power Plant**"), as well as the 159.032-megawatt peak (MWp) solar photovoltaic (PV) power generation plant located in Barangay Laoag, Aguilar, Pangasinan (the "**Laoag Solar Power Plant**"). The Cayanga-Bugallon Solar Power Plant was completed in October 2023 and started commercial operations on July 2024. Meanwhile, the Laoag Solar Power Plant was completed in April 2024, and started commercial operations on December 2024.

Acquisition of Additional Interest in SPI Power Incorporated (formerly STEAG State Power Inc.)

In September 2022, AboitizPower acquired 35.4% interest from STEAG GmbH ("**STEAG**"). The transaction was completed in January 2024, resulting in AboitizPower's 69.4% effective equity interest in SPI. On February 21, 2024, STEAG and AboitizPower signed a Share Purchase Agreement for the sale of the remaining 15.6% shares of STEAG. On May 15, 2024, upon the execution of the deed of absolute sale of shares and completion of the closing conditions, AboitizPower acquired shares representing an additional 15.6% interest in the company. On January 10, 2025, the SEC approved the change in SPI's corporate name from STEAG State Power Inc. to SPI Power Incorporated.

As of January 31, 2025, AboitizPower is the legal and beneficial owner of an 85% equity interest in SPI.

Acquisition of Interests in Chromite Gas Holdings, Inc.

On January 28, 2025, AboitizPower, through its wholly owned subsidiary, TNGP, completed its transaction with Meralco PowerGen Corporation (MGen) to acquire a 40% equity interest in CGHI.

The transaction involves:

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

As a result of these acquisitions, MGen and TNGP, through their 60-40 stakes in CGHI (respectively), will own 67% of SPPC, EERI, and IPIEC, while SMGP retains a 33% stake in these entities and gains a corresponding interest in LFC.

Acquisition of Interests in Cornerstone Energy Development, Inc.

CEDI was incorporated on January 19, 2011 and was a joint venture company between ARI and Mainstream. On October 13, 2022, AboitizPower, through ARI, signed a JVA with Mainstream to build a 90-MW onshore wind project in Libmanan, Camarines Sur (the "**Camarines Sur Wind Power Project**").

On January 10, 2025 ARI reached an agreement with Mainstream for the transfer of the latter's shares in CEDI, through a Share Purchase Agreement, in favor of ARI. The closing of the Agreement effectively allows ARI to own 100% of the total issued and outstanding stock of CEDI, and terminates previous agreements between ARI and Mainstream for the joint development of the Camarines Sur Wind Power Project.

<u>Competitive Strengths</u>

The Company believes that its principal strengths are the following:

Strong track record in power generation, retail electricity supply, and distribution.

Power generation. AboitizPower's generation group has established some of the largest private power producers in the Philippines, maintaining a diversified portfolio of renewable (hydro, geothermal and solar) and thermal (coal, oil and LNG) energy sources across 48 generation facilities since 1978. AboitizPower's hydro group, Hedcor, has played an integral role in the power generation business by emerging as a pioneer in the development of small-to medium-sized hydroelectric plants in the Philippines. The Company currently has the largest installed capacity of renewable energy in the country. The Company ensures that its operations at existing power plants remain at par with globally recognized standards and best practices. AboitizPower's Business Units consistently earn ISO certifications across various areas including quality, safety, environmental, asset management, business continuity, and information security management from the ISO.

Retail Electricity Supply. AboitizPower has been a leading player in the country's retail market since its inception in 2013. As of December 2024, the Competitive Retail Electricity Market ("**CREM**") and Green Energy Option Program (GEOP) Monthly Statistical Data issued by the ERC reported a 29.3% market share for the Aboitiz Group which was equivalent to 1,300 MW in terms of contracted capacity. This translates to over 500 retail customers.

Power distribution. The Aboitiz Group entered the power distribution business in 1918 when the Aboitiz family bought a 20% equity stake in Visayan Electric, which at that time was an integrated power business (i.e., had both generation and distribution assets). AboitizPower's power distribution business is currently composed of nine distribution utilities, two of which serve the second- and third-largest markets in the Philippines: Cebu City and Davao City, and their surrounding areas. These two are Visayan Electric and Davao Light, which are among the first few in the country to be certified with an ISO 14000:2015 and ISO 45000:2018 for Occupational Health and Safety, and Environmental Management. AboitizPower remains committed to enhancing reliability and efficiency by implementing standardised operating systems and processes. AboitizPower's ownership interests in the Distribution Companies are expected to continue serving as stable revenue sources. The Company is well-positioned to benefit from the steady growth in electricity demand, driven by increasing economic activity in two of the country's largest electricity markets, Cebu City and Davao City.

Ability to take advantage of expected strong power market fundamentals.

According to the NGCP, for the period from 2020 to 2040, growth in demand for electricity in the Luzon, Visayas, and Mindanao grids is expected to increase at an average annual growth rate of 6.07%, 7.19% and 7.72% respectively. As an established and reputable operator of IPPs, the Company believes that its strategically located generation facilities across the three grids will enable it to support and benefit from ongoing economic development. The Company is also well-positioned to provide various energy-related services, such as baseload, peaking, and reserve power requirements.

Power generation contracts that provide steady and predictable cash flow.

For the full year of 2024, over 70% of the Company's energy sales was covered by bilateral contracts. These bilateral contracts provide steady cash flows from a variety of offtakers, including distribution utilities and contestable customers under the Retail Competition and Open Access ("RCOA") regime, AS and FIT. In particular, the Generation Companies have existing bilateral contracts that require offtakers to either pay for available capacity (in the case of the majority of the Company's baseload and oil plants), or pay for all the electricity generated by the relevant plant (in the case of the bulk of the Company's run-of-river hydropower plants). A number of plants also have contracts that do not assume fuel risk because of direct pass-through mechanisms in their respective PPAs or fuel is supplied by their offtakers. For contracts with no direct pass-through mechanisms, the fuel risk is hedged.

Benefits from renewable energy sources.

Operating leverage. Since the Company's run-of-river hydroelectric power generation facilities rely on natural water flow to generate electricity, they are not exposed to market fluctuations in the price of hydrocarbon fuels. Further, hydroelectric plants, such as the Magat plant and Ambuklao-Binga Hydroelectric Power Plant Complex, have relatively quick ramp-up and ramp-down capabilities. The Company's Magat and Ambuklao-Binga plants can provide multiple ancillary services to the Luzon Grid, such as frequency regulation, acting as a spinning reserve and providing back-up power.

Other benefits from renewable energy. Sales from generating facilities using renewable energy sources, such as the Company's hydroelectric, geothermal and solar-powered facilities, are "zero-rated" for purposes of VAT. This means that such Generation Companies are not required to include the VAT as part of the rates they charge off-takers. RE Generation Companies are entitled to zero-rated VAT on their purchases of local supply of goods, properties and services needed for the development, construction and installation of the plant facilities, as well as local purchases relating to the whole process of exploring and developing RE sources up to its conversion into power, including but not limited to the services performed by subcontractors and/or contractors. RE Generation companies are allowed to claim as tax credit or refund the amount of VAT charged or passed on by their suppliers on purchases that do not qualify as zero-rated pursuant to Section 112 (A) of the Tax Code, as amended.

Further, because the Company has a number of run-of-river hydroelectric facilities located in different regions of the Philippines, the Company believes it has a natural hedge against the risk of hydrological conditions in one area of the Philippines affecting all of the Company run-of-river facilities.

RA No. 9513, or the Renewable Energy Act, is intended to give additional incentives to the RE Generation Companies, which will in turn translate to lower operating costs. The law provides fiscal and non-fiscal incentives, including income tax holiday ("**ITH**") for a period of seven (7) years, ten percent (10%) corporate income tax after the lapse of the ITH, duty-free importation, and special rates on real property taxes among others. See the section entitled "*Renewable Energy Act of 2008*" on page [•] of the Prospectus.

The above-mentioned tax holidays are affected by the CREATE Bill. See the section entitled *"Effects of Existing or Probable Government Regulations on the Business"* on page 126 of the Prospectus.

Dependable and growing sources of income from its power distribution businesses.

The Company's ownership interests in the Distribution Companies are expected to continue providing stable sources of revenues. With Visayan Electric and Davao Light, the second and third largest privately-owned distribution utilities in the Philippines in terms of both customers and annual GWh sales, forming part of the Company's distribution utilities portfolio, the Company is well-positioned to benefit from a stable electricity demand growth rate in the country, as economic activity in two of the largest electricity markets increases.

Strong financial position and the ability to obtain limited recourse and corporate level financing.

The Company believes that its strong financial position enables it to expand its generation portfolio through selective acquisitions and green and brown-field projects, while enhancing the operational performance and efficiency of its Distribution Companies, growing its customer base, and maintaining market leadership in its REC business. The Company's prudently managed leveraging and good credit track record allows it to secure financing from leading Philippine and multinational banks.

Established relationships with strategic partners.

The Company has established a strategic partnership to own and operate the Magat, Maris, and Ambuklao-Binga hydroelectric plants with SCATEC. Aside from this, AboitizPower has also established partnerships with the likes of STEAG GmbH, AC Energy, Global Power, Meralco, TeaM Energy, and SMGP, which are reputable names in their respective industries. The Company remains open to strategic partnerships in the pursuit of exploratory projects.

JERA's 27% stake in the Company can also be characterized as a strategic partnership, as both entities benefit from the mutual exchange of expertise.

The Company believes that building on its partnerships could enhance its ability to compete for, develop, finance and operate future power generation projects.

Strong and experienced management team.

The Company is led by a seasoned management team with a track record of hands-on management in the complex power generation, retail electricity supply, and distribution business. The management team is not only tenured but has in depth technical and financial expertise to meet the challenges of this fast-growing business. In line with this, further domain expertise has been integrated in plant operations, trading, energy economics, assets and contracts management, business development, environmental and construction management, among others. As a result, AboitizPower posts sustained positive growth and an equally strong financial performance.

As a leader of this industry, the Company's management team is in constant collaboration and communication with regulatory bodies such as the DOE and ERC. Hand in hand with various energy stakeholders on a national and local level, the management team works to promote good business practices and the interests of the public. With over 100 years in business, the Aboitiz Group knows that the strength of the business not only rests in operational expertise but in its reputation as it meets its obligations to its various stakeholders.

AboitizPower is committed to contributing to the country's development.

Business Strategy

The Company's business strategy is to increase shareholder value by undertaking the following steps:

1. ***Expand the Company's generation portfolio***

The Philippines will require a sufficient amount of competitively priced power to meet the country's increasing energy needs. AboitizPower is strategically constructed to meet this increasing demand. The Company seeks to provide the country with reliable power at a reasonable cost and in a responsible manner. Furthermore, AboitizPower has a strong pipeline which features a generation portfolio of multi-fuel technologies. The Company has been increasing its generation portfolio since 2007 and expects to continue optimising the Company's current business to drive cost-efficient growth. It remains committed to growing its attributable capacity, which the Company expects to come from a portfolio of renewables and selective baseload builds, including gas. The Company targets to add 3,700 MW of new RE capacity by 2030. As of May 15, 2025, the Company has successfully energized 503 MW and is on track what the construction of another 421 MW of its initial expansion phase, which includes developing solar and wind plants with a cumulative net attributable capacity of up to 1,200 MW. AboitizPower's growing RE portfolio should enable the Company to maximize opportunities arising from the DOE's implementation of the Renewable Portfolio Standards ("**RPS**"), which mandates power distribution utilities, electric cooperatives, and retail electricity suppliers to source 35% of their energy supply from RE facilities by 2030 and 50% by 2040.

Baseload power has a critical role in the country's energy mix, so the Company is on the constant lookout for the most competitively priced baseload fuel at every stage, employing best in class technologies to manage environmental impact.

2. ***Contract the bulk of the Company's attributable net sellable capacity and leverage the generating portfolio mix***

In view of changing market dynamics, the goal of the Company is to contract the bulk of its attributable net sellable capacity into an optimal mix of bilateral contracts, ancillary services, and spot market sales, based on a portfolio optimization strategy. The bilateral contracts comprise more than 80% of the Company's energy sales, and provide steady and predictable cash flows.

3. ***Expand the scope of the Company's distribution business and continue to improve the operational efficiency of its existing distribution assets***

To protect AboitizPower's core business and ensure stable growth, the Company's major plans include expanding the Power Distribution business and improving the performance of Distribution Utilities by aligning its operations to world-class standards. AboitizPower intends to explore opportunities to expand its portfolio of distribution companies by either acquiring additional distribution utilities or electric cooperatives, or by entering into agreements to manage distribution utilities or systems. AboitizPower also expects to focus on improving the Distribution Utilities' level of service and lowering their operating costs by maximizing synergies with the Generation Companies and across the Distribution Utilities and by investing in new systems that will allow the distribution utilities to be more efficiently managed. AboitizPower believes that a strong distribution business of sufficient scale will continue to provide a springboard for AboitizPower's strategies in electricity generation and electricity-related services.

4. ***Maintain a high level of social responsibility in the communities in which the Company operates***

The Company aims to conduct its business operations consistent with the highest standards of social responsibility and sustainable development, particularly in terms of environmental responsibility. The

Company has actively participated in the development of the communities where its projects are located, which contributes to social and political stability in the areas where the Company operates. The Company also contributes a portion of its revenues to LGUs to fund community development activities in the areas of education, health care, rural electrification and environmental protection. By continuing to strengthen its relationships with the local communities where it does business and build support and goodwill among the residents, non-governmental organizations, LGUs and other stakeholders, the Company believes that it increases the likelihood that it will benefit from political and social stability in the areas where it operates, and get the continued support and patronage of its key stakeholders.

PRINCIPAL PRODUCTS

Generation of Electricity

AboitizPower's portfolio includes interests in both coal and non-coal generation plants. As of December 31, 2024, the earnings contribution of the coal and non-coal operating business segments accounted for 61% and 21%, respectively. AboitizPower conducts its power generation activities through the Subsidiaries and Affiliates listed in the table below.

The table below summarizes the Company's power generation companies and key information as of March 2025:

Plant Name	Installed Capacity[13]	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Management Company	Off-takers
Ambuklao	112.50	112.50	56.25	SNAP-Benguet	WESM/ASPA/ Bilaterals EC
Bakun AC	74.8	74.8	74.8	Luzon Hydro Corporation	NPC (2026)
Benguet 1-9	52.7	52.7	52.7	Hedcor, Inc	FIT / WESM Bilaterals
Binga	140	140	70	SNAP-Benguet	WESM / ASPA/EC Bilaterals
Davao 1-5	4.47	4.47	4.47	Hedcor, Inc.	Bilaterals Distribution utility
Magat	388	388	194	SNAP-Magat	Bilaterals / WESM / Coops / ASPA
Manolo Fortich	72.80	68.80	68.80	Hedcor Bukidnon	FIT
Sibulan (A, Sibulan B and Tudaya 1A)	51.58	49.10	49.10	Hedcor Sibulan	Distribution Utility
Sabangan	14.2	14	14	Hedcor Sabangan	FIT
Maris Main Canal 1	8.5	8.5	4.25	SNAP-Magat	FIT
Magat BESS	24	24	12	SNAP-Magat	WESM
Tudaya 2(B)	8	7	7	Hedcor Tudaya	FIT
Tiwi - Makban	549.76	290	290	APRI	Bilaterals/WESM

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

Plant Name	Installed Capacity[13]	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Management Company	Off-takers
SacaSun (San Carlos)	46.8	46.8	46.8	San Carlos Sun Power, Inc.	FIT WESM
Cayanga Solar Power Plant	75.09	75.09	75.09	PV Sinag Power, Inc.	Bilaterals, WESM
Laoag (1&2) Solar Power Plant	130.24	130.56	130.56	PV Sinag Power, Inc.	Bilaterals, WESM
Mindanao Coal-fired Thermal Power Plant	232	210	178.50	SPI Power Incorporated	NPC,/PSALM 200MW (2031)/ Bilaterals Bilaterals/ WESM, 10MW ASC
Mariveles Project	632	632	494.98	GMEC	Bilaterals/ WESM/ASPA
GNPower Dinginin Ltd. Co.	1,336	1,336	935.20	GNPD	Bilaterals/ WESM/ ASPA
TSI Plant (Davao)	301.40	272.61	272.61	TSI	Bilaterals/ WESM/ASPA
Pagbilao	764	700	700	TLI	Bilaterals / WESM / ASPA/ RM
Pagbilao 3	420	388.40	194.20	PEC	Bilaterals/ WESM/RMTLI / ASPA
Cebu Energy (Toledo)	249.72	216	57.02	CEDC	Bilaterals/ WESM
TVI Plant (VisayasCebu Coal)	338	300	240	TVI	Bilaterals/WESM/ASPA/RM
CPPC Plant (Cebu Oil)	70.59	65	0	CPPC	Distribution Utility (Visayan Electric)
Bunker Cotabato	4.45	4.45	4.45	Cotabato Light	Distribution Utility (Cotabato Light)
SPPC Plant (General Santos)	55	55	11	SPPC	N/ANPC (2016)
EAUC Plant (Mactan)	44.50	43.50	43.50	EAUC	WESM/RMASPAMEPZI/Bilaterals
Power Barge Mobile 1 (Mindanao)	98	96	96	TMI	WESM/ASPA Bilaterals/WESM ASPA
Power Barge Mobile 2 (Mindanao)	100	96	96	TMI	WESM/ASPA Bilaterals/WESM ASPA

Plant Name	Installed Capacity[13]	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Management Company	Off-takers
Power Barges Mobile 3-6 (Luzon)	204.20	110	110	TMO	WESM/ASPA/RMESM/WASPA/WESM
TPVI Plant (Visayas)Naga	27.50	33	33	TPVI	WESM/RMASPA
WMPC Plant (Zamboanga)	101.77	100	20	WMPC	Bilaterals/ WESM/ASPA
Total	6,732.57	6,144.28	4,636.28		

*Sum figures will differ due to rounding effect

**Based on Certificate of Compliance

AboitizPower's power generation portfolio includes interests in both renewable and non-renewable generation plants. AboitizPower conducts its power generation activities through the Subsidiaries and Affiliates listed in the table below.

The table below summarizes the Generation Companies' operating results as of December 31, 2024, compared to the same period in 2023 and 2022:

APRI	2,706	3,206	3,316	12,683	16,749	18,704
SacaSun	89	82	63	775	724	477
PV Sinag*	268	N/A	N/A	1,047	67	N/A
Hedcor	164	155	137	856	864	836
LHC	279	259	315	951	868	1,002
Hedcor Sibulan	251	271	262	1,397	1,477	1,408
Hedcor Tudaya	30	39	39	177	228	232
Hedcor Sabangan	51	44	49	302	262	289
Hedcor Bukidnon	353	354	386	2,073	2,080	2,265
SN Aboitiz Power-Magat	3,838	2,404	3,472	10,405	7,492	11,116
SN AboitizPower-Benguet	2,315	1,803	1,937	6,696	6,886	9,171
TLI	5,497	6,351	6,322	28,730	40,271	41,280
TSI	2,232	1,987	1,739	13,628	13,530	14,604
TVI	2,418	2,543	2,192	14,377	15,295	15,048
Cebu Energy	1,683	1,949	1,957	10,259	12,165	14,259
SPI Power	1,361	1,322	1,166	7,454	9,422	3,781
GMEC	4,811	4,675	3,778	27,769	30,901	36,128
GNPD	10,140	10,448	6,537	53,961	58,164	54,403
WMPC	181	851	784	1,088	1,499	1,793

SOUTHERN PHILIPPINES	0	0	0	0	0	0
CPPC	0	31	93	12	660	1,060
EAUC	72	225	408	961	985	1,214
TMI	760	534	920	1,589	776	1,435
TMO	493	1,023	1,139	1,920	2,993	2,158
TPVI	74	12	34	653	270	418
Davao Light** (decommissioned)	0	0	0	Revenue Neutral	Revenue Neutral	Revenue Neutral
Cotabato Light**	0	0	0	Revenue Neutral	Revenue Neutral	Revenue Neutral

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

***Plants are operated as stand-by plants and are revenue neutral, with costs for operating each plant recovered by Davao Light and Cotabato Light, as the case may be, as approved by ERC. The Davao Light plant has been decommissioned since November 2018.*

Renewable Energy

Aboitiz Renewables, Inc. ("ARI")

As of December 31, 2024, AboitizPower's renewable energy portfolio in operation consisted of net sellable capacity of approximately 1,486 MW, divided into 252 MW of solar, 920 MW of hydro, 290 MW of geothermal, and 24 MW of battery energy storage.

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

As of May 15, 2025, ARI has successfully energized 503 MW of its initial expansion phase, which includes developing solar and wind plants with a cumulative net attributable capacity of up to 1,200 MW. Ongoing construction for another 421 MW is on track. The second phase of its expansion will see additional capacity of around 1,700 MW of solar and wind power. The growth of ARI's portfolio plays an important role in achieving AboitizPower's energy transition strategy which aims to assist in the decarbonization of the Philippine energy market while supporting the country's economic growth.

Significant Milestones and Outlook:

- Established a pipeline of over 3 gigawatts (GW) of renewable energy projects in development;
- SN Aboitiz Power Group's first energy storage project, the 24-MW Magat battery energy system (BESS), completed construction in July 2023 and concluded testing and commissioning with the grid operator in December 2023. It started commercial operations in January 2024;
- The 95-MWp Cayanga Solar project in Bugallon, Pangasinan synchronized last October 23, 2023 and is already providing power to the grid;
- Energized the 159-MWp Laoag Solar project in Aguilar, Pangasinan in April 2024;
- Completed construction of the 17-MW Tiwi binary power plant in June 2024;
- Started construction for a 58.5-MWp onshore wind project in Libmanan, Camarines Sur, which won the second Green Energy Auction of the Department of Energy (DOE) in July 2023;
- Completed make-up well drilling campaign for APRI Makban and Tiwi geothermal facilities, with 12 make-up wells completed, delivering a total incremental steam contribution of 94 MW;
- Energized the 47-MWp solar plant in Armenia, Tarlac in November 2024;
- Energized the 173-MWp solar plant in Calatrava, Negros Occidental in December 2024; and
- Started construction of the following projects:
    - the 221-MWp solar plant in Olongapo, Zambales (93% completion as of May 2025),
    - the 93-MWp solar plant in San Manuel, Pangasinan (57% completion as of May 2025),

- o the 20 MW Hybrid Battery Energy Storage Facility in Bay, Laguna (65% completion of May 2025),
- o the 16 MW Battery Energy Storage Facility in Ramon, Isabela (7% completion as of May 2025), and
- o the 40 MW Battery Energy Storage Facility Itogon, Benguet (9% completion as of May 2025).

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

Generation Company	Percentage of Ownership	Plant Name (Location)	Type of Plant	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Offtakers
APRI	100%	Tiwi – Makban (Luzon)	Geothermal	290	290	WESM/ Bilateral
Hedcor	100%	Benguet 1-9 (Luzon), La Trinidad, Bineng 3, Ampohaw, FLS, Labay, Lon-oy, Irisan 1 and 3, and Sal-angan	Run-of-river hydro	52.7	52.7	FIT/Bilaterals/WESM
		Davao 1-5 (Mindanao) Talomo 1, 2, 2A, 2B, and 3	Run-of-river hydro	4.47	4.47	Bilateral
Hedcor Bukidnon	100%	Manolo Fortich (Mindanao)	Run-of-river hydro	68.8	68.8	FIT
Hedcor Sabangan	100%	Sabangan (Luzon)	Run-of-river hydro	14.1	14.1	FIT
Hedcor Sibulan	100%	Sibulan (A, B, and Tudaya A) (Mindanao)	Run-of-river hydro	49.2	49.2	Distribution Utility
Hedcor Tudaya	100%	Tudaya (B) (Mindanao)	Run-of-river hydro	8.137	8.1377	FIT
LHC	100%	Bakun (Ilocos Sur, Luzon)	Run-of-river hydro	74.8	74.8	NPC
SacaSun	100%	SacaSun (Visayas)	Solar	46.8	46.8	FIT
PV Sinag	100%	Cayanga and Laoag (Luzon)	Solar	205.33	205.33	Bilateral/ WESM
RE Resources, Inc.	100%	Armenia (Luzon)	Solar	37.52	37.52	Bilateral
SN Aboitiz Power-Benguet	60%**	Ambuklao (Benguet, Luzon)	Large Hydroelectric	112.5	56.3	Bilateral/ WESM/ASPA/ RM
		Binga (Luzon)	Large Hydroelectric	140	70	Bilateral/ WESM/ASPA/ RM
SN Aboitiz Power-Magat	60%**	Magat (Luzon)	Large Hydroelectric	388	194	Bilateral/ WESM/ASPA/ RM
		Maris Main Canal 1 (Luzon)	Run-of-river hydro	8.5	4.3	FIT
		Magat BESS (Luzon)	Battery energy storage	24	12	RM
			Total	1,525	1,188	

Notes:
** Sum figures will differ due to rounding effect.*
***The 60% equity is owned by MORE.*

Run-of-River Hydros

In 2024, the Hedcor Group, composed of Hedcor, Hedcor Sibulan, Inc. (Hedcor Sibulan), Hedcor Tudaya, Inc. (Hedcor Tudaya), Hedcor Sabangan, Inc. (Hedcor Sabangan), Hedcor Bukidnon, Inc. (Hedcor Bukidnon), and Luzon Hydro Corporation (LHC), had a total net generation of 1,077 GWh of Cleanergy across the Philippines. This is higher than the 2023 net generation at 1,064 GWh, or an increase of 1 %, with breakdown as shown in the table below:

Generation Company	Net Generation (in MWh)		% Change
	2024	2023	
Hedcor	164,463	155,031	6%
Hedcor Sabangan	51,214	44,486	15%
LHC	253,910	233,780	9%
Hedcor Bukidnon	353,189	354,284	0%
Hedcor Sibulan	224,902	238,494	-6%
Hedcor Tudaya	30,059	38,713	-22%
TOTAL	**1,077,737**	**1,064,788**	**1%**

The 1% increase in kWh generation in 2024 compared to 2023 is attributed to high water inflow across hydropower plants of the Hedcor group starting August to December 2024. This change is also attributed to a reduction in outages in 2024, in contrast to 2023, when higher outages were experienced. Specifically, the FLS HEPP and Bakun AC plants were impacted by Typhoon Egay, while FLS HEPP also faced recovery challenges from the 2022 earthquake.

The Hedcor Group controls and monitors its 22 Run-of-River plants via the National Operations Control Center which was inaugurated in 2022. The Hedcor Group is also an ISO Certified with Quality, Environmental, Asset Management, Information Security and Business Continuity Management System Certification, aligning its process and systems with international standards

Luzon Hydro Corporation (LHC)

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

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

The Bakun AC Hydro Plant was constructed and operated under the government's BOT scheme. Energy produced by the Bakun AC Hydro Plant, approximately 254 GWh annually, is delivered and taken up by NPC pursuant to a Power Purchase Agreement ("**PPA**") and dispatched to the Luzon grid through the 230-kV Bauang-Bakun transmission line of the National Grid Corporation of the Philippines ("**NGCP**"). Under the terms of its PPA, all of the electricity generated by the Bakun AC Hydro Plant will be purchased by NPC for a period of 25 years from February 2001. The PPA also requires LHC to transfer the Bakun AC Hydro Plant to NPC in February 2026, free from liens and without the payment of any compensation by NPC.

Hedcor, Inc. (Hedcor)

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

In 2005, ARI consolidated all its mini-hydroelectric generation assets, including those developed by HEDC and Cleanergy, into Hedcor. Cleanergy is Hedcor's brand for clean and renewable energy. Hedcor owns, operates, and manages run-of-river HEPPs in Northern Luzon and Davao City, with an increased combined net sellable capacity of 58.385 MW, attributed to the addition of the La Trinidad Hydro which started operations in July 2019.

The electricity generated from Hedcor's hydropower plants are sold to the WESM and to Hedcor Sibulan pursuant to PPAs with off-takers. Irisan 1 Hydro and La Trinidad Hydro sell energy under the FIT mechanism through a renewable energy payment agreement ("**REPA**") with the National Transmission Corporation ("**Transco**").

Hedcor Sibulan, Inc. (Hedcor Sibulan)

Hedcor Sibulan, a wholly-owned Subsidiary of ARI, owns, operates, and manages the hydropower plants composed of three cascading plants with a total installed capacity of 49.234 MW, located in Santa Cruz, Davao del Sur. Hedcor Sibulan consists of Sibulan A Hydro, Tudaya 1 Hydro, and Sibulan B Hydro. The energy produced by the Sibulan grid is sold to Davao Light through a PSA signed in 2022. The company was incorporated on December 2, 2005.

Hedcor Tudaya, Inc. (Hedcor Tudaya)

Hedcor Tudaya, a wholly-owned Subsidiary of ARI, owns, operates, and manages the Tudaya 2 Hydro run-of-river hydropower plant with an installed capacity of 8.137 MW, located in Santa Cruz, Davao del Sur. The company was incorporated on January 17, 2011.

The Tudaya 2 Hydro plant has been commercially operating since March 2014. At present, Tudaya 2 Hydro sells energy under the FIT mechanism through a Renewable Energy Power Agreement (REPA) with Transco following the commencement of the commercial operations of the WESM in Mindanao last January 2023.

Hedcor Sabangan, Inc. (Hedcor Sabangan)

Hedcor Sabangan, a wholly-owned Subsidiary of ARI, owns, operates, and manages the Sabangan run-of-river hydroelectric power plant ("**HEPP**") with an installed capacity of 14.139 MW. The company was incorporated on January 17, 2011.

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

Hedcor Bukidnon, Inc. (Hedcor Bukidnon)

Hedcor Bukidnon, a wholly-owned Subsidiary of ARI, owns, operates, and manages the mini hydropower plants with a combined installed capacity of 73.322 MW located in Manolo Fortich, Bukidnon (the "**Manolo Fortich Plant**"). The company was incorporated on January 17, 2011.

The Manolo Fortich Plant is composed of the 45.936 MW Manolo Fortich 1 Hydro and the 27. 387 MW Manolo Fortich 2 Hydro. Both plants harness the power of the Tanaon, Amusig, and Guihean rivers.

The Manolo Fortich Plant is selling under the FIT mechanism through a REPA with Transco, following the commercial operation of WESM in Mindanao in January 2023.

Large Hydros

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

SN Aboitiz Power-Magat is ARI's Joint Venture with SN Power Philippines Inc. ("**SN Power**"), a leading Norwegian hydropower company with projects and operations in Asia, Africa, and Latin America. In October 2020, Norway-based Scatec ASA ("**Scatec**") signed a binding agreement to acquire 100% of the shares in SN Power from the Norwegian Investment Fund for Developing Countries (Norfund) for a total equity value of US$ 1,166 mn. As of January 31, 2025, SN Aboitiz Power-Magat was 60% owned by MORE, while Scatec, through SN Power Philippines, owned the remaining 40% equity interest.

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

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

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

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

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

The Magat Plant's total sold quantities from spot energy generation and ancillary services ("**AS**") during 2024 was at 2.8 TWh, a decrease from 2023's sold capacity of 1.3 TWh. This is equivalent to a sold capacity factor of 82%, compared to 37% in 2023. Spot and AS revenue for the year 2024 was ₱6.82 bn, 33% higher than 2023's ₱4.78 bn. SN Aboitiz Power-Magat's Bilateral Contract Quantity ("**BCQ**") margin for 2024 was a ₱1.38 bn gain, a substantial increase compared to the ₱0.38 bn BCQ in 2023. This improvement was primarily due to higher generation and reduced purchases from the spot market in 2024 compared to 2023.

In June 2019, SN Aboitiz Power-Magat switched on its first 200kW floating photovoltaic project over the Magat reservoir in Isabela. This was the first non-hydro renewable energy project of the SN Aboitiz Power Group. The facility holds a Self-Generating Facility Certificate of Compliance ("**SGF-COC**") No. 23-S-04926L, valid from January 31, 2023, to January 30, 2028.

Following the impact of Typhoon Nika (Toraji) on November 11, 2024, SN AboitizPower-Magat, together with its technology partner, Ocean Sun AS, conducted a thorough assessment of the floating photovoltaic ("**FPV**") facility. While the facility has performed successfully since its inauguration, the assessment confirmed that key structural components, including photovoltaic panels, dewatering pumps, and high-density polyethylene (HDPE) floating rings, sustained significant damage, making continued operation unfeasible.

With this in mind, SN Aboitiz Power-Magat began the decommissioning process on February 7, 2025. The Energy Regulatory Commission ("**ERC**") was formally notified on January 30, 2025, and SN AboitizPower-Magat is now awaiting confirmation of the revocation of the facility's Certificate of Compliance ("**COC**").

On October 22, 2020, the DOE issued a Green Energy Option Program ("**GEOP**") Operating Permit to SN Aboitiz Power-Magat, which authorizes the company to enter into electricity supply contracts with qualified end-users according to the GEOP or RA No. 9513 or the Renewable Energy Act of 2008 (the "**RE Law**"). This permit is valid for five years. SN Aboitiz Power-Magat also has a RES license valid until December 17, 2025.

SN Aboitiz Power-Magat retained its Integrated Management System certifications for ISO 14001 for Environmental Management System, ISO 9001 for Quality Management System, ISO 45001 for Occupational Health and Safety Management Systems, and ISO 55001 Asset Management System, as recertified and audited by DQS Philippines in 2025. The company recorded 3.7 mn manhours without lost time incident as of January 31, 2025.

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

SN Aboitiz Power-Benguet is the owner and operator of the Ambuklao-Binga Hydroelectric Power Complex, which consists of the 112.5-MW Ambuklao HEPP ("**Ambuklao Plant**") and the 140-MW Binga HEPP ("**Binga Plant**"), located in Brgy. Tinongdan, Itogon, Benguet Province. The company was incorporated on March 12, 2007. As of January 31, 2025, MORE owned 60% equity interest, while SN Power owned the remaining 40%.

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

The Ambuklao Plant's total sold capacity from spot energy generation and ancillary services in 2024 was 741 GWh, an improvement from 2023's sold capacity of 472 GWh. This was equivalent to a sold capacity factor of 75% during 2024, as compared to the 48% during 2023. The Binga Plant's total sold capacity from spot energy generation and AS in 2024 was 1.1 TWh, or 144% of the 771 GWh sold capacity in 2023. This is equivalent to a sold capacity factor of 90% for 2024, compared to 63% in 2023.

The resulting combined spot and AS revenue of the Ambuklao and Binga Plants for 2024 was ₱5.27 bn, compared to ₱5.87 bn in 2023. SN Aboitiz Power-Benguet's BCQ margin for 2024 was a ₱0.20 bn gain, marking a significant decline compared to the ₱1.22 bn BCQ margin in 2023. This was mainly driven by higher generation and lower purchases from the spot market during 2024 compared to 2023.

Both the Ambuklao and Binga Plants have retained their Integrated Management System certifications (ISO 14001 Environmental Management System, ISO 9001 Quality Management System, and ISO 55001 for Asset Management). The company also successfully migrated and was certified as ISO 45001 Occupational Health & Safety Management System from OHSAS 18001. The Ambuklao and Binga Plants jointly have just over 6.1 mn man hours of no lost time incident as of January 31, 2025.

Geothermal

AP Renewables Inc. ("APRI")

APRI, a wholly-owned Subsidiary of ARI, is one of the leading renewable power companies in the country. It owns the 234 MW Tiwi geothermal power facility in Albay and the 394.8 MW Makiling-Banahaw geothermal power facility in Laguna (the "**Tiwi-MakBan Geothermal Facilities**") located in Albay, Laguna, and Batangas. These geothermal facilities were acquired by APRI from PSALM in July 2008 and were formally turned over to APRI on May 25, 2009.

The Tiwi-MakBan Geothermal Facilities produce clean energy that is reasonable in cost, efficient in operation, and environment-friendly. As a demonstration of APRI's commitment to providing world-class services, adhering to environmental management principles to reduce pollution, complying with regulations, and ensuring a safe and healthy workplace, the company has been issued an Integrated Management System (IMS) certifications by TÜV Rheinland Philippines for the following standards: International Organization for Standardization (ISO) 9001:2015 (Quality), ISO 14001:2015 (Environment), and OSHAS (Occupational Health and Safety Series) ISO 45001: 2018 (Occupational Health and Safety).

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

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

In December 2024, APRI commenced the pre-development stages of the 20-MW Bay Battery Energy Storage System (Bay BESS) Project. The Bay BESS project aims to provide an additional generating capacity to the existing Makban Plant A. Battery Energy Storage Systems play a crucial role in supporting the Philippines' Energy Transition. It is projected to commence its testing and commissioning by late 2025. This project emphasizes APRI's commitment for advanced energy storage solutions to enhance the integration of renewable energy sources into the national grid.

Solar

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

SacaSun owns and operates the 59-megawatt peak (MWp) solar photovoltaic (PV) power generation plant located in the San Carlos Ecozone, Barangay Punao, San Carlos City, Negros Occidental (the "SacaSun Plant").

SacaSun was incorporated on July 25, 2014, initially as a Joint Venture between ARI and

SunEdison Philippines. The SacaSun Plant was inaugurated on April 19, 2016. On December 4, 2017, AboitizPower acquired 100% effective equity ownership in SacaSun.

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

Aboitiz Solar Power, Inc. ("ASPI")

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

The Calatrava Solar Power Plant was energized in December 2024.

RE Resources, Inc. ("RERI")

RERI owns and operates the 46.658-MWp solar PV power generation plant located in Tarlac City, Tarlac (the "Armenia Solar Power Plant"), which was energized in November 2024.

RERI was incorporated on April 23, 2014, and is wholly-owned by ARI.

AP Renewable Energy Corporation ("APREC)"

APREC was incorporated on May 19, 2025, and is wholly-owned by ARI. APREC is the project company for the construction of the 221.082-MWp solar PV power generation plant located in Olongapo City, Zambales (the "Olongapo Solar Power Plant").

The Olongapo Solar Power Plant started construction in the first quarter of 2024.

PV Sinag Power, Inc. ("PV Sinag")

PV Sinag owns and operates the 94.717-megawatt peak (MWp) solar photovoltaic (PV) power generation plant located in Barangay Cayanga, Bugallon, Pangasinan (the "Cayanga-Bugallon Solar Power Plant"), as well as the 159.032-megawatt peak (MWp) solar photovoltaic (PV) power generation plant located in Barangay Laoag, Aguilar, Pangasinan (the "**Laoag Solar Power Plant**").

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

PV Sinag was incorporated on October 1, 2013, and is wholly-owned by ARI.

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

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

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

As of January 31, 2025, APX had approximately 5.581 MWp of rooftop solar projects, operating under a Power Purchase Agreement, a turnkey solution for customers, or about to start construction or installation.

Aboitiz Upgrade Solar, Inc. ("AUSI")

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

Energy Storage Systems

CELL Power Energy Corporation ("CPEC")

CPEC is the project company engaged in the development of several energy storage systems (ESS) projects to provide ancillary services to grids across the country.
CPEC was incorporated on February 9, 2010 as Olongapo Energy Corporation, and is a wholly-owned Subsidiary of AboitizPower.

Wind

Cornerstone Energy Development, Inc. ("CEDI")

CEDI was incorporated on January 19, 2011 and was a joint venture company between ARI and Mainstream. AboitizPower, through ARI, owns 60% interest in CEDI while Mainstream Renewable Power Philippines Holdings B.V. (Mainstream), a global renewable energy company, previously owned the remaining 40%.

On October 13, 2022, AboitizPower, through ARI, signed a JVA with Mainstream to build a 90-MW onshore wind project in Libmanan, Camarines Sur (the "**Camarines Sur Wind Power Project**").

On January 10, 2025 ARI reached an agreement with Mainstream for the transfer of the latter's shares in CEDI, through a Share Purchase Agreement, in favor of ARI. The closing of the Agreement effectively allows ARI to own 100% of the total issued and outstanding stock of CEDI, and terminates previous agreements between ARI and MRP for the joint development of the Camarines Sur Wind Power Project.

4 Barracuda Energy Corporation ("4 Barracuda")

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

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

Aura Energy Holdings, Inc. ("Aura Energy")

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

Aura Energy was incorporated on August 12, 2022 and is a joint venture company between ARI and 7 Balboa Energy Holdings Inc. (7 Balboa). AboitizPower, through ARI, and 7 Balboa each own 50% interest in Aura Energy.

***Other*s**

Solviva Energy OPC ("Solviva Energy")

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

1882 Energy Ventures Incorporated ("1882 Energy Ventures")

1882 Energy Ventures was incorporated on October 11, 2023 as a wholly-owned Subsidiary of AboitizPower and is committed to transforming energy for a better world by decentralizing energy. The company builds and scales start-ups that drive sustainable solutions in homes, businesses, mobility, and networks. The company has established Solviva Energy, a residential solar provider launched in 2023.

Renewables Pipeline

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

SN Aboitiz Power-Ifugao develops and executes pertinent activities for the proposed 120-MW Alimit HEPP and the 20-MW Olilicon HEPP.
In 2024, SN Aboitiz Power-Ifugao continued to develop and execute pertinent activities for the proposed 120-MW Alimit HEPP, and the 20-MW Olilicon HEPP. As per the Memorandum of Understanding with the National Irrigation Administration ("**NIA**") in September 2023, the SN AboitizPower Group and NIA have continued to study the feasibility of Alimit as a multipurpose facility, introducing an irrigation component to the already completed power component feasibility study. The potential multipurpose facility intends to contribute to energy security, food security and provide flood control benefits. SN Aboitiz Power-Ifugao continues to evaluate its development strategy for these projects under a multipurpose scheme.

SN Aboitiz Power-Ifugao was incorporated on January 14, 2009. As of January 31, 2025, 60% equity interest in the company was owned by MORE, with the remaining 40% owned by SN Power Philippines.

Thermal Energy

Therma Power, Inc. ("TPI")

AboitizPower's investments and interests in various non-renewable energy projects are held primarily through its wholly-owned Subsidiary, TPI and its Subsidiary power generation companies. As of March 4, 2025, AboitizPower, by itself or through and/or with TPI, owns equity interests in the following:

Generation Company	Percentage Ownership	Plant Name (Location)	Project Type	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Off-takers
Coal Group						
TLI	100%	Pagbilao (Luzon)	Coal-fired	700	700	Bilaterals/WESM/ASPA
PEC	50%	Pagbilao 3 (Luzon)	Coal-fired	388.4	194.2	Bilaterals/ASPA
TSI	100%	TSI Plant (Mindanao)	Coal-fired	272.61	272.61	Bilaterals/WESM/ASPA
TVI	80%	TVI Plant (Visayas)	CFB	300	240	Bilaterals/WESM/ASPA
Cebu Energy	26.4%	Cebu Energy (Visayas)	CFB	216	57	Bilaterals/WESM
GMEC	78.32%	Mariveles Project (Luzon)	Coal-fired	632	495	Bilaterals/WESM/ASPA
GNPD	70%	GN Power Dinginin	Coal-fired	1,336	935.2	Bilaterals/WESM/ASPA
SPI Power	85%	t Mindanao Coal-fired Thermal Power Plant	Coal-fired	210	178.5	NPC, 200MW (2031)
Oil Group						
EAUC	100%	EAUC Plant (Visayas)	Bunker-C fired power plant	43.5	43.5	WESM/ASPA

Generation Company	Percentage Ownership	Plant Name (Location)	Project Type	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Off-takers
SOUTHERN PHILIPPINES**	20%	SOUTHERN PHILIPPINES Plant (Mindanao)	Bunker-C fired power plant	55	11	N/A
TMI	100%	Power Barge Mobile 1 (Mindanao)	Barge-mounted power plant	96	96	WESM/ASPA
		Power Barge Mobile 2 (Mindanao)	Barge-mounted power plant	96	96	WESM/ASPA
TMO	100%	Power Barges Mobile 3-6 (Luzon)	Barge-mounted power plant	110	110	WESM/ASPA
TPVI	100%	TPVI Plant (Visayas)	Bunker-C fired power plant	33	~~33~~	WESM/ASPA
WMPC**	20%	WMPC Plant (Mindanao)	Bunker-C fired power plant	100	20	Bilaterals/WESM/ASPA
Cotabato Light**	99.94%	Bunker Cotabato (Mindanao)	Bunker-C fired power plant	4.5	4.5	Distribution Utility
			Total	**4,693***	**3,553.7***	

* Sum figures will differ due to rounding effect

*** Directly owned by AboitizPower*

Oil Group

Therma Marine, Inc. ("TMI")

Therma Marine, Inc. (TMI) operates two (2) 100 MW oil-fired power barges in Maco, Davao de Oro (Mobile 1) and Nasipit, Agusan del Norte (Mobile 2). Both Mobile 1 and 2 were constructed in 1994 and have been under the ownership of TMI since February 2010 and March 2010, respectively.

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

Therma Mobile, Inc. ("TMO")

TMO operates four barge-mounted power plants located at the Navotas Fish Port, Manila, which it acquired on May 27, 2011. As of January 31, 2025, the barge-mounted power plants have an installed capacity of 241 MW and the company operates with a net available capacity of 165 MW.

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

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

East Asia Utilities Corporation ("EAUC")

EAUC, a wholly-owned Subsidiary of TPI, was incorporated on February 18, 1993 and began commercial operations on December 25, 1997 and full commercial operations on May 25, 1998. EAUC owns, operates, and maintains a Bunker-C fired power plant with a rated capacity of 49.600 MW located in Mactan Economic Processing Zone (MEPZ 1), Lapu-Lapu City, Cebu. EAUC serves its capacity to MEPZ 1 and the WESM.

Therma Power-Visayas, Inc. ("TPVI")

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

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

On February 17, 2025, the DOE approved the decommissioning of TPVI's 44.640 MW Naga Oil-Fired Power Plant (OFPP) and 0.440 MW Black Start Diesel Engine Generating Unit (BSDEGU) located at the Naga Power Plant Complex in Barangay Colon, Naga City, Cebu, effective March 31, 2025. The decommissioning was pursued in view of the technical and operational issues of the plant caused mainly by the advanced age of the diesel engines

Cebu Private Power Corporation ("CPPC")

CPPC owned and operated a 70MW Bunker C-fired power plant located in Cebu City. On August 18 2023, CPPC transferred its ownership over the plant to VECO.

Southern Philippines Power Corporation ("Southern Philippines")

Southern Philippines owns a Bunker C-fired power plant with net capacity of 55 MW located in Barangay Baluntay, Alabel, Sarangani, a municipality outside General Santos City in Southern Mindanao. Southern Philippines's 18-year "Build-Operate-Own" (BOO) arrangement with NPC expired on April 28, 2016. The company was incorporated on March 15, 1996.

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

As of January 31, 2025, AboitizPower had a 20% equity interest in Southern Philippines, a Joint Venture among AboitizPower, Alsing Power Holdings, Inc., and Tomen Power (Singapore) Pte. Ltd.

Western Mindanao Power Corporation ("WMPC")

WMPC owns and operates a Bunker C-fired power plant with net capacity of 100 MW located in Barangay Sangali, Zamboanga City, Zamboanga Peninsula in Western Mindanao. It was operated as a merchant plant after WMPC's 18-year BOO arrangement with the NPC expired in December 2015. The company was incorporated on March 15, 1996.

WMPC has an existing 50-MW PSA with Zamboanga City Electric Cooperative, Inc. and has been registered with the WESM as a direct member starting April 23, 2020. WMPC has been issued an Ancillary Services (AS) Certificate by the NGCP effective from September 20, 2023 to September 19, 2025. WMPC has a five-year ASPA with NGCP beginning April 26, 2019, for 50-MW non-firm Dispatchable Reserve, and Reactive Power Support and Blackstart Support Services.

WMPC participated in NGCP's competitive selection process. The invitation to bid was published on January 31, 2023, for the supply of ancillary services to the NGCP. NGCP subsequently awarded the ASPA to WMPC on April 18, 2023, on a firm basis. The awarded ancillary services contracted capacity to WMPC consist of 30-MW for dispatchable reserve, 15-MVAR/20-MW for reactive power support, and for black start service for the plant's certified capacity of 100 MW, pending ERC approval.

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

As of May 15, 2025, AboitizPower had a 20% equity interest in WMPC, a Joint Venture among AboitizPower, Alsing Power Holdings, Inc., and Tomen Power (Singapore) Pte. Ltd.

Coal Group

Therma Luzon, Inc. ("TLI")

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

As the IPPA, TLI is responsible for procuring the fuel requirements of, and selling the electricity generated by, the Pagbilao Plant. The Pagbilao Plant is currently owned and operated by TeaM Energy Corporation (TeaM Energy). Under the IPPA agreement, TLI has the right to receive the transfer of Pagbilao Unit 1 and Unit 2 at the end of the Energy Conversion Agreement. Over the years, TLI's capacity was contracted to various cooperatives, private distribution utilities, directly connected customers, and to affiliate RES. TLI was granted a RES license on August 12, 2020, which is valid until August 11, 2025.

Pagbilao Energy Corporation ("PEC")

PEC owns and operates the 420-MW Unit 3 project within the Pagbilao Power Station, located in Pagbilao, Quezon. PEC is a joint-venture between AboitizPower and TeaM Energy, through their respective Subsidiaries, TPI and TPEC Holdings Corporation. The Pagbilao Unit 3 Project is not covered by either TLI's IPPAA with PSALM or TeaM Energy's ECABOT contract with NPC/PSALM. Pagbilao Unit 3 commenced operations in March 2018.

Through TPI, AboitizPower has 50% equity interest in PEC, while TPEC Holdings Corporation owns the remaining 50%.

The output of Pagbilao Unit 3 is sold to TLI and TPEC.

Therma South, Inc. ("TSI")

TSI, a wholly-owned Subsidiary of TPI, owns and operates the 300-MW installed capacity (2x150-MW) circulating fluidized bed (CFB) coal-fired power plant located in Davao City and Sta. Cruz, Davao del Sur. TSI was incorporated on November 18, 2008. Commercial operations for Unit 1 and Unit 2 began in September 2015 and February 2016, respectively.

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

Therma Visayas, Inc. ("TVI")

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

As of January 31, 2025, AboitizPower, through TPI, effectively owns an 80% equity interest in TVI, with the remaining 20% being held by the Vivant Group.

TVI supplies power to distribution utilities and also provides ancillary services.

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

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

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

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

As of January 31, 2025, Abovant had a 44% equity interest in CEDC, while Global Formosa owned the remaining 56%. Consequently, AboitizPower, through TPI, held a 26.4% effective ownership interest in Cebu Energy.

Redondo Peninsula Energy, Inc. (“RP Energy”)

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

RP Energy was originally a Joint Venture between AboitizPower and TCIC. MGen acquired a majority interest in RP Energy by virtue of a share purchase agreement with TPI on July 22, 2011. As of January 31, 2025, AboitizPower, through TPI, and TCIC each retained a 25% stake in RP Energy

SPI Power Incorporated (“SPI”, formerly STEAG State Power Inc.)

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

SPI holds valid COCs from the ERC, including those for the following self-generation facilities: (i) 400kW diesel generator; and (ii) 1.25MW diesel generator. From time to time, SPI’s power plant units are required to be in economic shutdown by PSALM, in accordance with its PPA. For the years 2023 and 2024, the power plant units were not required to be in economic shutdown.

In September 2022, AboitizPower acquired a 35.4% interest in SPI from STEAG GmbH (STEAG). The transaction was completed in January 2024, resulting in AboitizPower’s 69.4% effective equity interest in SPI. On May 15, 2024, AboitizPower acquired from STEAG its remaining 15.6% interest in SPI.

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

As of May 15, 2025, AboitizPower is the legal and beneficial owner of an 85% equity interest in SPI and La Filipina Uy Gongco Corporation held the remaining 15%.

AA Thermal, Inc.

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

The AA Thermal platform holds indirect limited partnership interests in each of GMEC and GNPD, where AboitizPower, through TPI, already holds direct partnership interests.

GNPower Mariveles Energy Center Ltd. Co. ("GMEC")

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

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

The equity owners of GMEC are:

(ii) TPI;

(iii) AC Energy and Infrastructure Corporation (formerly: AC Energy, Inc.) ("**ACEIC**"); and

(iv) Power Partners Ltd. Co. ("Power Partners").

As of May 15, 2025, AboitizPower had a 78.3% effective partnership interest in GMEC**.**

GNPower Dinginin Ltd. Co. ("GNPD")

GNPD is a private limited partnership organized and registered with the SEC on May 21, 2014 engaged in the operation and ownership of a 2x725 MW (gross) [LRM1] supercritical coal-fired power plant and a private port facility located in Mariveles, Bataan.

The equity investor consortium which owns GNPD consists of a partnership among: (i) TPI; (ii) ACEIC; and (iii) Power Partners.

At present, GNPD is the largest coal-fired power plant in the country utilizing supercritical technology, which fully complies with the most stringent local (DENR) and international (World Bank and Equator Principles) environmental and emission standards.

As of May 15, 2025, AboitizPower owned a 70% ownership interest in GNPD

Others

Therma Cebu Energy, Inc. ("Therma Cebu")

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

On August 18, 2023, TPI entered into a joint venture agreement with Sta. Cruz Storage Corporation to build and operate a fuel storage facility at the Naga Power Plant Complex in Naga City, Cebu. TPI owns 50% of Therma Cebu.

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

Therma NatGas Power, Inc. ("TNGP")

TNGP was incorporated on March 10, 2023 and is a wholly-owned Subsidiary of TPI. On March 1, 2024, TNGP entered into an Investment Agreement with Meralco PowerGen Corporation ("**MGen"**) to acquire a 40% equity interest in Chromite Gas Holdings, Inc. ("**CGHI"**).

On January 27, 2025, TNGP and MGen, through CGHI, completed (i) its investment in South Premiere Power Corp. (SPPC), Excellent Energy Resources Inc. (EERI), and Ilijan Primeline Industrial Estate Corp. (IPEIC), and (ii) its co-investment with San Miguel Global Power Corporation in Linseed Field Corporation.

Other Generation Assets

As of January 31, 2025, Cotabato Light maintained a stand-by maximum capacity of 9.641-MW Bunker C-fired power plant capable of supplying approximately 12.79% of its requirements.

Future Projects

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

Distribution of Electricity

The Aboitiz Group has more than 85 years of experience in the Philippine power distribution sector. With ownership interests in nine Distribution Utilities, the Company believes that it is currently one of the largest electricity distributors in the Philippines. AboitizPower's Distribution Utilities collectively supply electricity to franchise areas covering a total of 18 cities and municipalities and five economic zones across Luzon, Visayas, and Mindanao.

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

The Distribution Utilities' earnings contribution to AboitizPower's business segments in 2024 was equivalent to 15%. The Distribution Utilities had a total customer base of 1,200,987 as of end-2024. This was 1,169,606 as of end-2023, and 1,137,402 as of end-2022.

The table below summarizes the key operating statistics of the Distribution Utilities for each of the past three (3) years:

Company	Electricity Sold (MWh)			Peak Demand (MW)			No. of Customers		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Davao Light	3,009,086	2,842,932	2,699,306	537	510	472	494,710	482,427	470,868
Cotabato Light	228,387	203,930	189,763	44	38	35	52,380	50,499	49,055
Visayan Electric	3,933,149	3,548,720	3,175,656	678	615	588	513,491	501,080	486,414
SFELAPCO	871,159	810,311	786,935	219	198	151	134,691	130,148	126,313
Subic Enerzone	297,094	287,300	282,997	60	57	55	3,697	3,674	3,615
Mactan Enerzone	80,652	88,600	100,881	17	20	21	88	90	86

Company	Electricity Sold (MWh)			Peak Demand (MW)			No. of Customers		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Balamban Enerzone	98,283	95,937	87,813	27	26	25	31	28	27
Lima Enerzone	352,093	315,178	317,602	65	58	56	1,712	1,621	999
Malvar Enerzone	17,025	10,238	9,481	6	6	5	187	49	25
Total	**8,886,928**	**8,203,146**	**7,650,434**	**1,653**	**1,528**	**1,408**	**1,200,987**	**1,169,616**	**1,137,402**

Visayan Electric Company, Inc. ("Visayan Electric")

Visayan Electric is the second largest privately-owned distribution utility in the Philippines in terms of customer size and annual MWh sales. The company supplies electricity to a region covering 674 square kilometers (sq. km.) on the island of Cebu with a population of approximately 1.7 mn. Visayan Electric has 19 power substations and one mobile substation that serve the electrical power needs of various cities, municipalities, and barangays in the island and province of Cebu.

Visayan Electric is the Aboitiz Group's first involvement in the power industry, with the acquisition by some family members of 20% ownership interest in the early 1900s. Directly and through its predecessors-in-interest, the company has been in the business of distributing electricity in Cebu since 1905. In 1928, Visayan Electric Company, S.A. was granted a 50-year distribution franchise by the Philippine Legislature. The franchise was renewed in September 2005 for a period of twenty-five (25) years or until September 2030.

As of end-2024, Visayan Electric has energized 100% of the barangays, and electrified 99.37% of all households within its franchise area. It has also completed the extension of its distribution facilities, which will allow it to serve all the customers within its franchise area. Visayan Electric's goal of 100% total electrification, including household electrification, is targeted for completion within eighteen (18) months from March 2024 upon release of funding from the DOE.

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

Visayan Electric's Underground Distribution System ("**UDS**") project, which began in 2013, aims to convert overhead conductors to underground cables along Cebu City's Sinulog Route with a total length of approximately five kilometers (km). As of January 31, 2025, approximately 3.60 kms. had been completed but has been deferred due to prioritization of other major projects for reinforcement and improvement of the capacity in the franchise area.

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

Visayan Electric's total systems loss was at 6.40% as of end-2024. This included a feeder loss of 4.91%, which is below the government-mandated feeder loss cap for 2024 of 5.50%.

As of January 31, 2025, AboitizPower directly held a 55.26% equity interest in Visayan Electric, with 34.81% owned by the Vivant Group.

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

Davao Light is the third largest privately-owned electric distribution utility in the country in terms of customer size and annual kWh sales. Its franchise area covers two cities and three municipalities in the Davao region, serving approximately 2.23 mn people across 3,561 sq. kms.

Davao Light was incorporated on October 11, 1929, and later acquired by the Aboitiz Group in 1946. The company's original 50-year franchise, covering Davao City, was granted by the Philippine Legislature in November 1930. A 1976 referendum expanded the franchise to include the municipalities of Carmen, Panabo, and Santo Tomas. In 1998, the municipality of Dujali was created from parts of Panabo and Carmen. Pursuant to RA No. 11515, which lapsed into law on December 26, 2020, Davao Light's franchise was extended for an additional 25 years from 2025, or until 2050.

Davao Light's renewable energy power supply comes from hydropower plants of NPC-PSALM hydro, Hedcor's Sibulan Talomo plants, and a portion sourced from WESM. This makes up nearly 51% of its renewable energy portfolio which helped reduce Davao Light's overall electricity rate.

To meet increasing power demand across its service area, Davao Light completed three major substation projects in 2024. In April 2024, the second 150 MVA power transformer unit at the ERA Substation was inaugurated, boosting capacity at the subtransmission level to serve the increasing power requirement in Davao City downtown and nearby areas. This was followed in November 2024 by the launching of the 33 MVA substation in Gredu, Panabo City. Subsequently, another 50 MVA substation in Lanang, Davao City was completed in December 2024.

All three substations employ digital technology, with the Gredu and Lanang facilities also utilizing green technology as part of their sustainability initiatives.

To respond to its customers' different digital needs, Davao Light continues to provide diverse digital platforms and online facilities. Its mobile application, MobileAP, which allows online access to billing and accounts, is continuously upgraded to include additional features such as bills payment for enhanced user convenience. eBillTxt was launched as a supplemental service that allows customers to receive electronic bills via SMS.

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

Davao Light has made significant strides in enhancing its digital services. As a result of the Company's intensified digital initiatives, 66% of its customer base, equivalent to 325,000 accounts, has transitioned from paper bill to electronic billing (e-Bill). Additionally, the MobileAP mobile app has reached 497,000 users in 2024.

Cotabato Light and Power Company ("Cotabato Light")

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

Cotabato Light also maintains a standby 9.641-MW Bunker-C-Fired diesel power plant capable of supplying approximately 10.19% of its franchise area requirements. This plant can supply electricity in case of supply problems with its power suppliers or the NGCP and for voltage stability when necessary, which benefits Cotabato Light's customers.

Cotabato Light's total systems loss as of end-2024 was at 6.44%. This included the distribution feeder loss of 4.69%. which is below the government-mandated distribution feeder loss cap in 2024 of 5.50%. Cotabato Light is continuously innovating its strategies and processes to maintain its distribution feeder loss within 5%.

As of January 31, 2025, AboitizPower directly owned a 99.94% equity interest in Cotabato Light.

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

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

SFELAPCO's franchise in the City of San Fernando, Pampanga covers an area of 78.514 sq. kms. and the municipality of Floridablanca and Brgys. Talang and Ligaya, Municipality of Guagua, Pampanga with an estimated area of 175.5 sq. kms. For 2024, SFELAPCO has a total of 286.20 MVA of substation capacity with a peak load of 177.26 MW including its 69kv customers.

SFELAPCO's total systems loss as of end-2024 was 5.11%. This included a feeder loss of 3.92% which is below the government-mandated feeder loss cap in 2024 of 5.50%.

As of January 31, 2025, AboitizPower had an effective equity interest of 43.727% in SFELAPCO.

Subic Enerzone Corporation ("Subic Enerzone")

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

Subic Enerzone served a total of 3,696 customers, consisting of 91 industrial locators, 1,369 commercial locators, 2,114 residential customers, 99 streetlights and 23 industrial locators under RES.

Subic Enerzone's total systems loss as of end-2024 was 4.76%. This included a feeder loss of 2.25%, which is below the government-mandated feeder loss cap in 2024 of 5.50%.

As of January 31, 2025, AboitizPower owned, directly and indirectly through Davao Light, a 99.98% equity interest in Subic Enerzone.

Mactan Enerzone Corporation ("Mactan Enerzone")

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

Mactan Enerzone sources its power from Green Core Geothermal Incorporated pursuant to its Contract for the Supply of Electric Energy ("**CSEE**").

Mactan Enerzone serves a total of 38 captive industrial locators, 35 captive commercial locators, 11 industrial locators under RES, and four industrial locators under GEOP.

Mactan Enerzone's total system loss as of end-2024 was 1.31%. This included a feeder loss of 0.66%, which is below the government-mandated feeder loss cap for 2024 of 5.50%.

As of January 31, 2025, AboitizPower owned a 100% equity interest in Mactan Enerzone.

Balamban Enerzone Corporation ("Balamban Enerzone")

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

Balamban Enerzone serves a total of 10 captive industrial customers, 15 captive commercial customers, and six contestable industrial customers.

Balamban Enerzone's total systems loss as of end-2024 was 0.53%. This included a feeder loss of 0.21%, which is below the government-mandated feeder loss cap for 2024 of 5.50%.

As of January 31, 2025, AboitizPower directly owned a 100% equity interest in Balamban Enerzone.

Lima Enerzone Corporation ("Lima Enerzone")

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

Lima Enerzone serves a total of 132 captive industrial locators, 21 captive commercial locators, 1,523 captive residential customers, eight streetlights, and 28 industrial locators under RES.

As of end-2024, Lima Enerzone's total systems loss was 2.89%. This included a feeder loss of 1.10%, which is below the government-mandated feeder loss cap for 2024 of 5.50%.

As of January 31, 2025, AboitizPower directly owned a 100% equity interest in Lima Enerzone.

Malvar Enerzone Corporation ("Malvar Enerzone")

Malvar Enerzone was incorporated on June 9, 2017 to serve and provide locators within the Light Industry & Science Park IV (LISP IV) in Malvar, Batangas. Malvar Enerzone will manage the operation and maintenance of the power distribution of LISP IV for twenty-five (25) years. LISP IV has two 50-MVA transformers to provide reliable and quality power to locators, which are mostly from manufacturers and exporters.

Malvar Enerzone served a total of 12 captive industrial locators, 20 captive commercial locators, 148 captive residential customers, five street lights and two industrial locators under RES.

As of end-2024, Malvar Enerzone's total system loss was 2.63%. This included a feeder loss of 0.91%, which is below the government-mandated feeder loss cap for 2024 of 5.50%.

As of January 31, 2025, AboitizPower directly owned a 100% equity interest in Malvar Enerzone.

<u>**Retail Electricity and Other Related Services**</u>

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

Adventpower Inc. [formerly Aboitiz Energy Solutions, Inc. ("AESI")]

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

In 2024, Adventpower supplied retail electricity to a total of 181 contestable customers, with total energy consumption of 1,713 mn kWh. As of January 31, 2025, AboitizPower owned a 100% equity interest in Adventpower.

Adventenergy Inc. ("AdventEnergy")

Adventenergy is engaged in the business of retail electricity supply and energy solutions and services. It was granted a license to act as a RES that is valid until December 17, 2028. The company was incorporated on August 14, 2008. Adventenergy was officially launched as AboitizPower's brand for retail electricity services and innovative solutions in March 2024.

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

In 2024, Adventenergy supplied retail electricity to 330 customers with an aggregate capacity of 770 MW and total consumption of 4,346 mn kWh. With Adventenergy's participation in the GEOP, it has supplied seven qualified end-users with a total consumption of 13 mn kWh in 2024.

As of January 31, 2025, AboitizPower owned a 100% equity interest in Adventenergy.

Prism Energy, Inc. ("Prism Energy")

Prism Energy was incorporated in March 2009 as a Joint Venture between AboitizPower and Vivant Corporation. It was granted a license to act as a RES valid until November 21, 2028. Prism Energy is envisioned to serve Contestable Customers in the Visayas region. As a RES, Prism Energy provides its customers with contract options for electricity supply that are based on their operating requirements. In 2024, Prism Energy supplied retail electricity to seven customers with a total energy consumption of 171,000 kWh. Currently, Prism Energy does not serve any contestable customers.

As of January 31, 2025, AboitizPower directly owned a 60% equity interest in Prism Energy.

RES Business Segments

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

TLI has a RES license valid until August 11, 2025. In 2024, it served four contestable customers with an aggregate capacity of 3.5 MW and total energy delivered of 14 mn kWh.

APRI has a RES license valid until February [JMC2] 17, 2030. In 2024, it served one contestable customer with a capacity of 1.5 MW and total energy delivered of 3 mn kWh.

APRI and TLI are also registered members of the Renewable Energy Market since July 6, 2021. They were granted operating permits by the DOE, valid for five years to participate in GEOP as well.

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

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

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

As of January 31, 2025, MORE owned a 60% equity interest in SN Aboitiz Power-RES, with the remaining 40% owned by SN Power Philippines.

Mazzaraty Energy Corporation (Mazzaraty)

Mazzaraty was incorporated on June 19, 2014 as a joint venture among AboitizPower, Pasudeco Corporation, L&R Development, Inc., and Alfecon Realty, Inc. It was granted a license to act as a RES that is valid until June 18, 2023 and subsequently renewed up to June 2028. Mazzaraty's RES contracts with its customers expired in 2021. The company was unable to supply electricity to customers in 2022 due to high coal prices.

As of January 31, 2025, AboitizPower owned 44.87% of Mazzaraty.

SALES

The operations of AboitizPower and its Subsidiaries and Affiliates are based only in the Philippines.The Company does not derive any revenue from foreign sales. Comparative amounts of revenue, profitability and identifiable assets are as follows:

		2023	2022
Operating Revenue	₱197,492	₱207,100	₱193,994
Operating Income	41,195	31,785	29,803
Total Assets	**₱517,616**	**₱487,023**	**₱477,376**

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

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

	2024		2023		2022	
Power Generation	₱120,666	53%	₱137,376	57%	₱137,480	59%
Power Distribution	58,895	26%	54,856	23%	58,951	25%
Retail Electricity Supply	46,154	20%	48,462	19%	19,875	9%
Services	1,606	1%	2,067	1%	17,042	7%
Total Revenue	**227,321**	**100%**	**240,694**	**100%**	233,348	**100%**
Less: Eliminations	-29,828		-33,594		-39,355	
Net Revenue	**₱197,492**		**₱207,100**		**₱193,994**	

Note: Values are in Million Pesos.

The revenue streams of the businesses of AboitizPower are diversified into regulated contracts, retail supplier contracts*, ancillary service contracts, spot energy and reserve markets, as well as distribution wheeling contracts and collections from the Distribution Utilities' captive customers. The loss of customers under contract can be mitigated by sales to spot markets.*

DELIVERY METHODS OF THE PRODUCTS OR SERVICES

Power Generation Business

The AboitizPower Generation Companies sell their capacities and energy through bilateral PSAs with private distribution utilities, electric cooperatives, RES, or other large end-users, and through the WESM. There are also Subsidiaries and Affiliates selling ancillary services through ASPAs with NGCP and Reserves Market. All of AboitizPower's Generation Companies have transmission service agreements with NGCP for transmission of electricity to the Grid.

Electricity supply can be in the form of bilateral contracts or power supply agreements ("**PSA**"), replacement power contracts, special build programs like the FIT system, and/or selling the energy and ancillary directly to the Wholesale Electricity Spot Market (WESM) and reserves market, respectively, for plants located in Luzon, Visayas and Mindanao.

In the case of the generation assets located in Mindanao, majority of the generation capacities are under PSAs (Therma South, Inc) and under the FIT system (some HEDCOR units). The Hedcor

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

Ancillary Services are necessary to help ensure a reliable and stable grid, which co-exist with the energy market or WESM. NGCP signs ASPAs with AS-certified generators to fulfill specific ancillary service requirements per grid. Currently, SN Aboitiz Power-Magat, SN Aboitiz Power-Benguet, TMI, TMO, TLI, APRI, Cebu Energy, and WMPC have ASPAs with NGCP. In the Luzon grid, the SN AboitizPower Group delivers regulating, contingency, and dispatchable reserves, blackstart service, and reactive power support through its Ambuklao, Binga, and Magat Plants. TMO, on the other hand, is located at the load center in Metro Manila and serves the necessary voltage support and dispatchable reserve. In addition, TLI's Pagbilao and APRI's Makban plants deliver contingency reserves and Reactive Power Support AS, respectively. In Visayas, AboitizPower delivers Contingency Ancillary Service through Cebu Energy. TMI provides both contingency and dispatchable reserves requirements in Mindanao. As a development to the Ancillary Service Contracting Process, the DOE mandated that AS will now undergo a Competitive Selection Process ("**CSP**"), similar to Energy CSP. DOE Department Circular No. DC 2021-10-0031 entitled "Prescribing the Policy for the Transparent and Efficient Procurement of Ancillary Services by the System Operator", details the provisions of the CSP which became effective on October 29, 2021. This is a welcome development for a more transparent and efficient process. AboitizPower actively participates in this process to fulfill the most needed AS requirements across the nation.

<u>Distribution Utilities Business</u>

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

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

<u>Retail Electricity Supply Business</u>

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

New Products and Services

On March 1, 2024, AboitizPower, indirectly through its wholly owned subsidiary, Therma NatGas Power Inc. ("**TNGP**"), entered into an Investment Agreement with Meralco PowerGen Corporation ("**MGen**") to acquire a 40% equity interest in Chromite Gas Holdings, Inc. (CGHI). With TNGP's investment, CGHI is 60% and 40% legally and beneficially owned by MGen and TNGP, respectively. On January 27, 2025, TNGP's co-investment with MGen and San Miguel Global Power Holdings Corp. (SMGP) in South Premier Power Corp. (SPPC), Excellent Energy Resources, Inc. (EERI), and Ilijan Primeline Industrial Estate Corp. (IPIEC) was completed.

The transaction involved:

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

Other than the ongoing greenfield and/or rehabilitation projects undertaken by AboitizPower's Generation Companies, AboitizPower and its Subsidiaries do not have any other publicly announced new products or services as of May 15, 2025.

SOURCES OF RAW MATERIALS AND SUPPLIES

Generation Business

The Generation Companies produce energy using the following fuel types based on attributable net selling capacity: 12.8% hydropower, 6.1% geothermal, 5.3% solar, 64.9% coal, and 10.9% oil. In 2024, renewable fuel sources comprised 24% of attributable net selling capacity, while thermal accounted for 76%.

AboitizPower currently manages and operates 22 hydropower plants that supply the country with over 278MW of clean and renewable energy. As a leading hydropower operator in the Philippines, Hedcor helps communities and businesses sustainably reach a better and greener tomorrow through power generation that is least disruptive to the environment.

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

Oil-fired plants use heavy fuel oil and automotive diesel oil to generate electricity. WMPC sources heavy fuel oil from Northern Star Energy Corporation. Each of EAUC, TMI, TMO, and TPVI secure its heavy fuel oil requirements from Pilipinas Shell, Marine Fuels Philippines Inc., and/or SL Harbor Bulk Terminal. The fuel prices under these agreements are pegged to the Mean of Platts Singapore index.

Both Coal-fired and Oil-fired power plants require automotive diesel oil during startup. These are all purchased from Chevron Philippines, Inc. under a term contract that are pegged to the Mean of Platts Singapore index.

TLI for Pagbilao Unit 3, TVI, and TSI have long-term coal supply contracts until 2025 for the majority of their annual requirements. Likewise, GNPD, GMEC, and Cebu Energy also have long-term coal supply agreements.

TLI for Pagbilao Units 1 and 2, and SPI are presently undergoing multiple testings of new coal supply sources with lower calorific value to improve fuel cost prices. Long-term contracts will be entered into within the year upon completion of said tests.

Power Distribution Business

The rates at which the Distribution Utilities purchase electricity from affiliated Generation Companies are established pursuant to bilateral agreements. These agreements are executed after the relevant Generation Company has successfully bid for the right to enter into a PSA with a distribution utility. These agreements are entered into on an arms'-length basis, on commercially reasonable terms, and must be approved by the ERC. ERC's regulations currently restrict AboitizPower's Distribution Utilities from purchasing more than 50% of their electricity requirements from affiliated Generation Companies. To address long-term power supply requirements, Davao Light and Cotabato Light entered into 25-year Power Supply Contracts (PSCs) with TSI for 100 MW and 5 MW, respectively, and started drawing their contracted capacity in September 2015. In June 2016, Davao Light and TSI filed a Joint Manifestation with ERC stating that they agreed to supplement and modify their supply contract to 108 MW.

To meet the RPS requirement, Davao Light entered into a ten-year 55 MW PSA with Hedcor Sibulan from 2022 to 2032. Davao Light also renewed its CSEE with PSALM for a period of three years from

2023 to 2025 for 15 MW. To cover its peak demand requirement for 2023 to 2026, Davao Light entered into a three-year PSA with TMI for a 50 MW supply. Davao Light also entered into a five-year non-firm load following the PSA, on an as available as needed basis, with FDC Misamis Power Corporation to cater to replacement power requirements in times of outages from 2023 to 2028.

To address long-term power supply requirements, Visayan Electric entered into a 25-year Electric Power Purchase Agreement (EPPA) with Cebu Energy in October 2009 for the supply of 105 MW. In December 2010, Visayan Electric signed a five-year PSA with GCGI for the supply of 60 MW at 100% load factor which was extended for another ten years in October 2014. Visayan Electric also has a 15-year PSA with TVI for the supply of 150 MW beginning 2018.

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

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

Transmission Charges

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

Distribution Utility	Valid until
Lima Enerzone	July 25, 2027
Cotabato Light	August 25, 2028
SFELAPCO	December 25, 2028
Davao Light	January 25, 2029
Visayan Electric	January 25, 2029
Mactan Enerzone	March 25, 2025*
Balamban Enerzone	March 25, 2025*
Malvar Enerzone	December 25, 2025

**Prior to the expiry of their TSAs, Mactan Enerzone and Balamban Enerzone have already applied and submitted their requirements for renewal.*

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

CUSTOMERS, ANALYSIS OF DEMAND AND RATES

<u>Customers</u>

Power Generation Business

As of December 31 2024, out of the total electricity sold by AboitizPower's Generation Companies, approximately 77% was covered by bilateral contracts with, among others, private distribution utilities, electric cooperatives, and industrial and commercial companies. The remaining, approximately 23%, was sold by the Generation Companies through the WESM, a co-optimized energy and reserves market.

Distribution Utilities Business

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

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

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

Retail Electricity Supply Business

As of January 31, 2025, AboitizPower's RES business had approximately 500 Contestable Customers under RCOA and seven end-users under GEOP with active contracts. These customers come from a wide number of industries, including property development, meat processing, semiconductors, steel, and cement. AboitizPower thus believes that this diversity in customers will insulate its RES business from downturns in any one industry.

Rates

Rates charged by the Distribution Companies for sales of electricity to final customers are determined pursuant to regulations established by ERC. These ERC regulations establish a cap on rates that provide for annual, periodic, and extraordinary adjustments. Under EPIRA, the distribution utilities such as the Distribution Companies have been required to "unbundle" the electricity rates charged to customers in order to provide transparency in disclosing to customers the components of their monthly bills and to segregate (consistent with the mandate of the EPIRA) the components of the distribution business which will become competitive once the EPIRA is fully implemented (such as supply and metering services) and those which will remain monopolized (such as transmission and wheeling). As a result, the Distribution Companies are required to identify and separately disclose to customers each individual charge that forms part of the cost of providing electricity, including generation, transmission, systems loss, distribution, metering, and supply charges.

Each of the Distribution Companies classifies customers based on factors such as voltage level and demand level at which the electricity is supplied to such customers. Each customer is placed in a certain tariff level determined by the Distribution Companies within the guidelines provided by the ERC and is charged for electricity based on customer classification. Typically, industrial customers pay lower rates relative to the cost of providing services to them, while residential customers pay higher rates relative to the cost of providing services to them.

The following sets forth the material components of each Distribution Companies' monthly charges to customers:

Distribution charges. Previously, the distribution charges that the Distribution Companies collected from customers were computed with reference to the RORB rate-setting system. Under this system, distribution charges were determined based on the appraised value of a distribution utility's historical costs, with the maximum rate of return set at 12.0%. Rate-setting under this system had historically resulted in prolonged review periods by regulators before a final rate was approved, and often resulted in interested parties, such as consumer advocacy groups, contesting rates approved by Government regulators in court. In addition, the determination of the components of a utility's cost base was subject to revision by regulators, with certain material expenses, such as those for income tax, being excluded from the base.

To address the inefficiencies and legal controversies caused by the RORB rate-setting system, the ERC issued the RDWR in 2006, which sets out the manner in which PBR is to be implemented. Under PBR, the distribution-related charges that a distribution utility collects from customers will be fixed by reference to the utility's projected revenues over a four-year regulatory period, which are reviewed and approved by the ERC and thereafter used to determine the utility's efficiency factor. For each year during the regulatory period, the distribution-related charges are adjusted upwards or downwards taking into consideration the utility's efficiency factor set and changes in overall consumer prices in the Philippines. As part of the implementation of PBR, the ERC has also implemented a performance incentive scheme whereby annual rate adjustments under PBR will also take into consideration the ability of a distribution utility to meet or exceed service performance targets set by the ERC, such as the average duration of power outages, the average time to provide connections to customers and the average time to respond to customer calls, with utilities being penalized for failing to meet these performance targets. During the 18 months prior to the PBR start date for each Distribution Company, each of them will undergo a regulatory reset process through which the PBR rate control arrangements are established based on documents submitted by each Distribution Company with the ERC, ERC resolutions, and consultations with the Distribution Company and the general public.

Transmission charges. These charges are the amounts paid by the Distribution Companies to the National Grid Corporation of the Philippines for the use of transmission facilities to transmit electricity from each Distribution Companies' electricity suppliers to the Distribution Companies' own transmission lines. Current ERC regulations allow the Distribution Companies to pass on to and recover from their customers the transmission charges paid by the Distribution Companies.

Under applicable laws and regulations, the Distribution Companies are required to allow use of their high-voltage distribution lines by others, including consumers within their franchise areas that are supplied by third parties. All users of the Distribution Companies' respective distribution lines must pay a wheeling fee for such use.

Generation charges. ERC regulations allow distribution utilities to pass through to their customers the full cost of electricity purchased from power generators, such as NPC and IPPs (including the Generation Companies), under ERC-approved contracts.

Supply and metering charges. The Distribution Companies are currently allowed to charge their customers a fixed monthly amount that is meant to cover customer service-related costs, such as customer billing and collection services, and metering-related costs, such as meter installation, monitoring and reading. Customers are also required to provide deposits on meters that are installed to monitor their electric consumption. The ERC is currently contemplating opening supply and metering services to competition.

Systems loss charges. These charges relate to the electricity losses that each Distribution Company is allowed to recover from customers. Originally, ERC regulations allowed distribution companies to charge customers for electricity losses so long as electricity losses do not exceed 8.50%. If a Distribution Company's electricity losses exceed 8.50%, the Distribution Company will be unable to pass on to its customers the loss charges relating to losses in excess of the 8.50% ceiling.

Under ERC Resolution No. 20, Series of 2017, the ERC set anew the distribution system loss that a Distribution Company may recover from its customers through the system loss charge. This shall not exceed the sum of the actual sub-transmission and substation loss of the Distribution Company and the distribution feeder loss caps, as follows:

2018	6.50%
2019	6.25%
2020	6.00%
2021	5.50%

Others. Other charges collected from customers include: the universal charge, which is meant to cover Stranded Debt and Stranded Costs of the Power Sector Assets and Liabilities Corporation, among others, in accordance with the requirements of the EPIRA; the lifeline subsidy rate, which is an amount collected from end-users to cover subsidies granted to low-consumption, low-income customers; and the FIT-All rate which is an amount collected from end-users under the feed-in tariff system.

Customer Deposits

The bill deposit serves to guarantee payment of bills by a customer which is estimated to equal one month's consumption or bill of the customer. These deposits are refundable, together with the accrued interest, upon termination of the contract. If the deposits and the related accrued interest already exceed the customer's current monthly bills, a refund of the excess can also be made.

Both the Magna Carta and Distribution Services and Open Access Rules ("**DSOAR**") provide that residential and non-residential customers, respectively, must pay a bill deposit to guarantee payment of bills equivalent to their estimated monthly billing. The amount of deposit shall be adjusted after one year to approximate the actual average monthly bills. A customer who has paid his electric bills on or before due date for three consecutive years, may now apply for the full refund of the bill deposit, together with the accrued interests, prior to the termination of his service; otherwise, bill deposits and accrued interests shall be refunded within one month from termination of service, provided all bills have been paid.

Transformer and lines and poles deposits are obtained from certain customers principally as cash bond for the proper maintenance and care of the said facilities while under their exclusive use and responsibility. These deposits are non-interest bearing and are refundable only after the related contract is terminated and the assets are returned to the Company in their proper condition and all obligations and every account of the customer due to the Company shall have been paid.

Billing Procedures

The procedures used for billing and payment for electricity supplied to customers is determined by customer category. The length of the collection process varies slightly among the Distribution Companies. Meter readings and invoicing take place on a monthly basis. Bills are prepared from meter readings or on the basis of estimated usage under certain circumstances. Low voltage customers are billed within one to two days after the meter reading, with payment required within nine days after the delivery date. In case of non-payment, a notification of non-payment accompanied by the next month's invoice, is sent to the customer and a period of two days is provided to pay the amount owed to the relevant Distribution Company. If payment is not received within two days, the customers' electricity supply is suspended.

COMPETITION

Power Generation Business

AboitizPower's power generation business is operating in an environment that is affected by competition, economic and seasonal changes that impacts demand, regulation, and global commodity price fluctuation. The Generation Companies' target customers are distribution utilities, electric cooperatives, and RESs. These target customers procure bulk power from Generation Companies to build and diversify the respective customer's power supply portfolio, which is then delivered to the end users. Distribution utilities and electric cooperatives operate in a regulated environment and are required to source power through a Competitive Selection Process (CSP), in accordance with guidelines set by the DOE, ERC and the National Electrification Administration.

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

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

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

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

In terms of market share[14] based on actual generation, offered capacity, and registered capacity, SMGP and First Gen Corporation have continued to dominate the market alongside AboitizPower. With 21% of the overall market share, SMGP had the most registered capacity share, reinforcing its dominant position in the market. AboitizPower followed at 18% of total market registered capacity. Meanwhile, First Gen Corporation has 11% of total market registered capacity, comprising mostly of preferential/must dispatch units leading to potentially high actual generation due to dispatch priority.

Retail Electricity Supply Business

Based on ERC's Competitive Retail Electricity Market (CREM) and Green Energy Option Program (GEOP) Monthly Statistical Data as of December 2024, there are 55 RES companies and 29 Local RES companies participating in the Open Access markets in Luzon,Visayas, and Mindanao, with the latter having commenced the operation of Retail Competition and Open Access (RCOA) on March 26, 2024.

AboitizPower, through its RES companies, has the largest market share as a group at 29.30%, with contracted capacity of 1,182 MW as of December 2024. The Meralco group has the second largest market share at 25.31%, with a contracted capacity of 1,140 MW. The Meralco group's main strength is its affiliation with the country's largest distribution utility, Meralco, which has both the financial and market strength, as well as goodwill, that comes from its size, long history, and long-time dominance in the retail competition and open access space. The San Miguel group's RES business has the third largest market share at 13.79%, with a contracted capacity of 710 MW. The San Miguel group is backed by a conglomerate that has investments in a diverse list of business segments and, unlike the AboitizPower and Meralco group, does not rely on the power business as its main business.

The increase in the number of variable renewable power plants, the number of RES companies, volatile WESM prices, and sustained high coal prices have also increased the level of competition in the RCOA. RES companies have resorted to both aggressive pricing and providing contractual concessions to customers in order to acquire more customers.

AboitizPower believes that its portfolio of supply, consisting of different types of energy sources with a mix of both renewable and non-renewable resources, allows it to be flexible in both pricing and reliability of supply, thus enhancing its competitiveness and allowing it to become the market leader during 2024.

Distribution Business

Each of AboitizPower's Distribution Utilities currently has an exclusive franchise to distribute electricity in the areas covered by its franchise. The business of electricity distribution is a regulated public utility business that generally requires a national franchise that can be granted only by Congress. In addition to the legislative franchise, a Certificate of Public Convenience and Necessity from the ERC is also required to operate as a public utility. On the other hand, distribution utilities operating within economic zones are not required to obtain a franchise from Congress, but must be duly registered with PEZA in order to operate within the economic zone. Thus, within each franchise area, the distribution utility has no competition.

TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES

AboitizPower and its Subsidiaries, in their regular conduct of business, have entered into transactions with Associates and other related parties principally consisting of professional and technical services,

[14] PEMC Market Assessment Report for 4th Quarter of 2024

power sales and purchases, advances, various guarantees, construction contracts, aviation services, and rental fees. These are made on an arm's-length basis as of the time of the transactions.

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

GOVERNMENT APPROVALS, PATENTS, COPYRIGHTS, FRANCHISES

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

Generation Business

Power generation is not considered a public utility operation under RA No. 9136 or the Electric Power Industry Reform Act of 2001 ("**EPIRA**"). Thus, a national franchise is not needed to engage in the business of power generation. Nonetheless, no person or entity may engage in the generation of electricity unless such person or entity has secured a COC from the ERC to operate a generation facility and has complied with the standards, requirements and other terms and conditions set forth in the said COC.

In its operations, a generation company is required to comply with technical, financial and environmental standards. It shall ensure that facilities connected to the Grid meet the technical design and operation criteria of the Philippine Grid Code, Philippine Distribution Code, and Philippine Electrical Code. It shall also conform to financial standards and comply with applicable environmental laws, rules and regulations.

Cotabato Light has its own generation facilities and are required under the EPIRA to obtain a COC. Davao Light's generation facility was decommissioned on November 26, 2018. For IPPAs such as TLI, the IPP shall apply for COC or PAO but it will be issued in favor of the IPP, PSALM and the IPPA. As such, the IPPAs are also bound to comply with the provisions of the Philippine Grid Code, Philippine Distribution Code, WESM rules, and applicable rules and regulations of ERC.

AboitizPower's HEPPs are also required to obtain water permits from NWRB for the water flow used to run their respective hydroelectric facilities. These permits specify the source of the water, flow that the Generation Companies can use for their hydroelectric generation facilities, as well as the allowable volume of water volume, that can be used from the source of the water flow and the terms and conditions of its use. The water permits have no expiration date.

AboitizPower, its Subsidiaries, and Affiliates are in various stages of development of several projects. Some of these projects have been awarded renewable energy service contracts by DOE.

The Generation Companies and Cotabato Light possess COCs for their power generation businesses, details of which are as follows:

Title of Document	Issued under the Name of	Power Plant					Economic Life/Term of COC	Date of Issuance
		Name	Type	Location	Capacity	Fuel		
Provisional Authority to Operate	Hedcor, Inc.	Irisan 3	Hydroelectric Power Plant	Brgy. Tadiangan, Tuba, Benguet	1.200 MW	Hydro	November 5, 2024 - November 4, 2025	October 21, 2024
Provisional Authority to Operate	Hedcor, Inc.	Bineng 3	Hydroelectric Power Plant	Brgy. Bineng, La Trinidad, Benguet	5.625 MW	Hydro	November 5, 2024 - November 4, 2025	November 5, 2024
Provisional Authority to Operate	Hedcor, Inc.	Ampohaw	Hydroelectric Power Plant	Brgy. Banengbeng, Sablan, Benguet	8.00 MW	Hydro	November 5, 2024 - November 4, 2025	November 5, 2024

Title of Document	Issued under the Name of	Power Plant Name	Type	Location	Capacity	Fuel	Economic Life/Term of COC	Date of Issuance
Provisional Authority to Operate	Hedcor, Inc.	La Trinidad	Hydroelectric Power Plant	Brgy. Bineng, La Trinidad, Benguet	20.400 MW	Hydro	October 6, 2024 - October 5, 2025	September 30, 2024
			Standby Diesel Engine Generating Unit		.200 MW	SDEGU		
Provisional Authority to Operate	Hedcor, Inc.	Sal-angan	Hydroelectric Power Plant	Brgy. Ampucao, Itogon, Benguet	2.600 MW	Hydro	November 5, 2024 - November 4, 2025	November 5, 2024
Provisional Authority to Operate	Hedcor, Inc.	Irisan 1	Hydroelectric Power Plant	Brgy. Tadiangan, Tuba, Benguet	3.897 MW	Hydro	May 2, 2024 - May 1, 2025	May 2, 2024
Provisional Authority to Operate	Hedcor, Inc.	Talomo 1	Hydroelectric Power Plant	Brgy. Malagos, Davao City, Davao Del Sur	1.000 MW	Hydro	February 16, 2025 - February 15, 2026	January 22, 2025
Provisional Authority to Operate	Hedcor, Inc.	Talomo 2	Hydroelectric Power Plant	Brgy. Mintal, Davao City	0.600 MW	Hydro	February 16, 2025 - February 15, 2026	January 22, 2025
Provisional Authority to Operate	Hedcor, Inc.	Talomo 2A	Hydroelectric Power Plant	Brgy. Tugbok, Davao City, Davao Del Sur	0.650 MW	Hydro	February 16, 2025 - February 15, 2026	January 22, 2025
Provisional Authority to Operate	Hedcor, Inc.	Talomo 2B	Hydroelectric Power Plant	Brgy. Tugbok, Davao City, Davao Del Sur	0.300 MW	Hydro	February 16, 2025 - February 15, 2026	January 22, 2025
Provisional Authority to Operate	Hedcor, Inc.	Talomo 3	Hydroelectric Power Plant	Brgy. Catalunan, Pequeño, Davao City	1.920 MW	Hydro	February 16, 2025 - February 15, 2026	January 22, 2025
			Standby Diesel Engine Generating Unit		.025 MW	SDEGU		
Provisional Authority to Operate	Hedcor, Inc.	FLS	Hydroelectric Power Plant	Brgy. Poblacion, Bakun, Benguet	6.400 MW	Hydro	November 5, 2024 - November 4, 2025	October 15, 2024
Provisional Authority to Operate	Hedcor, Inc.	Lower Labay	Hydroelectric Power Plant	Brgy. Poblacion, Bakun, Benguet	2.400 MW	Hydro	November 5, 2024 - November 4, 2025	October 15, 2024
Provisional Authority to Operate	Hedcor, Inc.	Lon-oy	Hydroelectric Power Plant	Brgy. Poblacion, Bakun, Benguet	3.600 MW	Hydro	November 5, 2024 - November 4, 2025	October 15, 2024
Provisional Authority to Operate	Hedcor Sibulan, Inc.	Sibulan A – Unit 1	Hydroelectric Power Plant	Brgy. Sibulan, Sta. Cruz, Davao del Sur	8.164 MW	Hydro	January 19, 2025 – January 18, 2026	January 13, 2025

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
		Name	Type	Location	Capacity	Fuel	Economic Life/Term of COC	
		Sibulan A – Unit 2			8.164 MW	Hydro	January 19, 2025 – January 18, 2026	January 13, 2025
Provisional Authority to Operate	Hedcor Sibulan, Inc.	Sibulan B – Unit 1	Hydroelectric Power Plant	Brgy. Darong, Sta. Cruz, Davao del Sur	26.256 MW	Hydro	November 24, 2024 - November 23, 2025	November 18, 2024
			Standby Diesel Engine Generating Unit		0.036 MW	SDEGU		
Provisional Authority to Operate	Hedcor Sibulan, Inc.	Tudaya 1	Hydroelectric Power Plant	Brgy. Sibulan, Sta. Cruz, Davao del Sur	6.654 MW	Hydro	January 19, 2025 – January 18, 2026	January 13, 2025
Provisional Authority to Operate	Luzon Hydro Corporation	Bakun AC	Hydroelectric Power Plant	Brgy. Amilongan, Alilem, Ilocos Sur	74.80 MW	Hydro	July 30, 2024 – July 29, 2025	July 29, 2024
Provisional Authority to Operate	Hedcor Tudaya, Inc.	Tudaya 2 – Unit 1	Hydroelectric Power Plant	Sta. Cruz, Davao del Sur	8.137 MW	Hydro	April 11, 2024 - April 10, 2025	March 19, 2024
		Tudaya 2 – Unit 2			0.128 MW	EDEGU		
Provisional Authority to Operate	Hedcor Sabangan, Inc.	Sabangan Hydro	Hydroelectric Power Plant	Brgy. Namatec, Sabangan, Mountain Province	14.139 MW	Hydro	September 29, 2024 - September 28, 2025	September 30, 2024
			Standby Diesel Engine Generating Unit		.102 MW	SDEGU		
Provisional Authority to Operate	Hedcor Bukidnon, Inc.	Manolo Fortich 1	Hydroelectric Power Plant	Brgy. Santiago, Manolo Fortich, Bukidnon	45.936 MW	Hydro	June 18, 2024 - June 17, 2025	June 7, 2024
Provisional Authority to Operate	Hedcor Bukidnon, Inc.	Manolo Fortich 2	Hydroelectric Power Plant	Brgy. Dalirig, Manolo Fortich, Bukidnon	27.387 MW	Hydro	June 18, 2024 - June 17, 2025	June 7, 2024
Provisional Authority to Operate	San Carlos Sun Power Inc.	San Carlos Sun Power Inc.	Solar Power Plant	Brgy. Punao, San Carlos City, Negros Occidental	58.981 MWp DC	Solar	July 13, 2024 - July 12, 2025	September 30, 2024
Provisional Authority to Operate	PV Sinag Power Inc.	Cayanga Bugallon	Solar Power Plant	Brgy. Cayanga, Bugallon, Pangasinan	94.717 MWp	Solar	November 25, 2024 – July 8, 2025	November 27, 2024
COC No. 24-12-N-00332L	PV Sinag Power Inc.	Laoag	Solar Power Plant	Brgy. Laoag, Aguilar, Pangasinan	159.032 MWp	Solar	Perpetual starting December 11, 2024 unless suspended, revoked, or annulled by the ERC	December 11, 2024

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
		Name	Type	Location	Capacity	Fuel	Economic Life/Term of COC	
COC No. 17-04-M-15911M	Cotabato Light and Power Company, Inc.	N/A	Bunker C-Fired Diesel Engine	Sinsuat Ave., Brgy. Rosary Heights I, Cotabato City, Maguindanao del Norte	9.641 MW	Diesel / Bunker C	Perpetual starting February 13, 2025 unless suspended, revoked, or annulled by the ERC	February 13, 2025
			Blackstart		0.010 MW	Diesel		
Provisional Authority to Operate	East Asia Utilities Corporation	N/A	Bunker C/Diesel Fired Power Plant	Barrio Ibo, MEPZ 1, Lapu-Lapu City, Cebu	49.60 MW	Bunker C/ Diesel	June 11, 2024 - June 10, 2025	May 2, 2024
COC No. 18-12-M-00020M	Western Mindanao Power Corporation	N/A	Bunker C-Fired Power Plant	Malasugat, Sangali, Zamboanga City	112 MW	Bunker C/Diesel	August 27, 2024 – August 26, 2025	September 30, 2024
		N/A	Blackstart		160 kW	Diesel		
COC No. 18-12-M-00021M	Southern Philippines Power Corporation	N/A	Bunker C-Fired Diesel Power Plant	Brgy. Baluntay, Alabel, Sarangani Province	61.72 MW	Bunker C/ Diesel	August 27, 2018 – August 26, 2023[15]	December 4, 2018
			Blackstart		160 kW	Diesel		
Provisional Authority to Operate	SN Aboitiz Power – Magat, Inc. (Magat Hydroelectric Power Plant)	Magat Hydroelectric Power Plant	Hydroelectric Power Plant	Brgy. General Aguinaldo, Ramon, Isabela and A. Lista, Ifugao	360.00 MW	Hydro	November 29, 2024 - November 28, 2025	November 25, 2024
		Emergency Diesel Generating Unit	Emergency Generating Unit		0.320 MW	EDEGU		
Provisional Authority to Operate	SN Aboitiz Power – Magat, Inc.	Maris Main Canal I Hydroelectric Power Plant	Hydroelectric Power Plant	Brgy. Ambatali, Ramon, Isabela	8.500 MW	Hydro	January 23, 2025 – January 22, 2026	January 15, 2025
		Emergency Diesel Generating Unit	Emergency Generating unit		0.150 MW	EDEGU		

[15] Information for updating.

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
		Name	Type	Location	Capacity	Fuel	Economic Life/Term of COC	
Provisional Authority to Operate	SN Aboitiz Power – Benguet, Inc.	Binga Hydroelectric Power Plant (HEPP)	Hydroelectric Power Plant Hydroelectric Power Plant Hydroelectric Power Plant Hydroelectric Power Plant	Brgy. Tinongdan, Itogon, Benguet	140.080 MW	Hydro	March 12, 2025 - March 11, 2026	February 18, 2025
		Binga Hydroelectric Power Plant	Blackstart Generator Set		0.320 MW	Diesel		
		Binga Hydroelectric Power Plant	Emergency Diesel Engine Generating Unit		0.330 MW	Diesel		
Provisional Authority to Operate	SN Aboitiz Power – Benguet, Inc.	Ambuklao Hydroelectric Power Plant (HEPP)	Hydroelectric Power Plant	Brgy. Ambuklao, Bokod, Benguet	104.550 MW	Hydro	August 31, 2024 - August 30, 2025	September 30, 2024
		Ambuklao Hydroelectric Power Plant	Auxiliary Generator Set		320 KW	Diesel		
		Emergency Diesel Engine Generating Unit	Emergency Generating Unit		314 KW	Diesel		
Provisional Authority to Operate	SN Aboitiz Power – Magat, Inc.	Magat Battery Energy Storage System	Battery Energy Storage System	General Aguinaldo, Ramon, Isabela	32.425 / 32.428 MWh	BESS	December 19, 2024 – December 18, 2025	December 13, 2024
COC No. 21-11-M-00016M	STEAG State Power, Inc. (Now: SPI Power Incorporated)	Mindanao Coal Fired Thermal Power Plant	Coal Fired Power Plant	Phividec Industrial Estate, Villanueva, Misamis Oriental	232.000 MW	Coal	August 30, 2021 – August 29, 2026	November 12, 2021
COC No. 22-12-S-04892M	STEAG State Power, Inc. (Now: SPI Power Incorporated)	N/A	Emergency Generating Set	Phividec Industrial Estate, Balacanas, Villanueva, Misamis Oriental	1.25 MW	Diesel	December 22, 2022 – December 22, 2027	December 23, 2022
COC No. 19-09-S-00013M	STEAG State Power, Inc.	N/A	Diesel Engine	Phividec Industrial Estate, Balacanas, Villanueva, Misamis Oriental	400 kW	Diesel	August 30, 2021 – August 29, 2026	November 12, 2021

Title of Document	Issued under the Name of	Power Plant					Economic Life/Term of COC	Date of Issuance
		Name	Type	Location	Capacity	Fuel		
Provisional Authority to Operate	AP Renewables, Inc.	Makban – Bay, Plant A, Unit 1	Geothermal Power Plant	Brgy. Bitin, Bay, Laguna	63.2 MW	Geo-thermal Steam	November 30, 2022 – November 30, 2025	November 28, 2024
		Makban – Bay, Plant A, Unit 2			63.2 MW			
		Makban – Bay, Plant D, Unit 7			20.0 MW			
		Makban – Bay, Plant D, Unit 8			20.0 MW			
Provisional Authority to Operate	AP Renewables, Inc.	Makban – Calauan, Plant B, Unit 3	Geothermal Power Plant	Brgy. Limao, Calauan, Laguna	63.2 MW	Geo-thermal Steam	December 01, 2024 – November 30, 2025	December 18, 2023
		Makban – Calauan, Plant B, Unit 4			63.2 MW			
		Makban – Calauan, Plant C, Unit 5			55.0 MW			
		Makban – Calauan, Plant C, Unit 6			55.0 MW			
Provisional Authority to Operate	AP Renewables, Inc.	Makban – Sto. Tomas Binary 1	Geothermal Power Plant	Brgy. Sta. Elena, Sto. Tomas, Batangas	7.00 MW	Geo-thermal Steam	November 7, 2024 – November 5, 2025	October 15, 2024
Provisional Authority to Operate	AP Renewables, Inc.	Tiwi Plant A, Unit 1	Geothermal Power Plant	Brgy. Naga, Tiwi, Albay	110.400 MW	Geo-thermal Steam	December 12, 2024 – December 11, 2025	December 13, 2024
		Tiwi Plant A, Unit 2						
Provisional Authority to Operate	AP Renewables, Inc.	Tiwi Plant C, Unit 5	Geothermal Power Plant	Brgy. Cale, Tiwi, Albay	110.400 MW	Geo-thermal Steam	December 12, 2024 – December 11, 2025	December 13, 2024
		Tiwi Plant C, Unit 6						
Provisional Authority to Operate	Therma Marine, Inc.	Mobile 1	Diesel Power Plant	Brgy. San Roque, Maco, Davao de Oro	100.337 MW	Diesel	April 19, 2025 – April 18, 2026	April 3, 2025
			Blackstart		1.680 MW	Diesel		
Provisional Authority to Operate	Therma Marine, Inc.	M1 - BESS	Auxiliary Battery Energy Storage System	Brgy. San Roque, Maco, Davao de Oro	31.543 MWh	BESS	April 19, 2025 – April 18, 2026	April 3, 2025
Provisional Authority to Operate	Therma Marine, Inc.	Mobile 2	Diesel Power Plant	Brgy. Sta. Ana, Nasipit, Agusan del Norte	100.327 MW	Diesel	April 6, 2025 – April 5, 2026	March 19, 2025
			Blackstart		1.680 MW	Diesel		

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
		Name	Type	Location	Capacity	Fuel	Economic Life/Term of COC	
Provisional Authority to Operate	Therma Mobile, Inc.	Barge 1/Mobile 3	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Baradero Street, North Bay Blvd., Navotas City	66 MW	Bunker C/ Diesel	July 9, 2024 - July 8, 2025	July 5, 2024
			Auxiliary Diesel Engine Generating Unit		0.500 MW	ADEGU		
Provisional Authority to Operate	Therma Mobile, Inc.	Barge 2/ Mobile 4	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Baradero Street, North Bay Blvd., Navotas City	60 MW	Bunker C/ Diesel	July 9, 2024 - July 8, 2025	July 5, 2024
			Auxiliary Diesel Engine Generating Unit		0.400 MW	ADEGU		
Provisional Authority to Operate	Therma Mobile, Inc.	Barge 3/ Mobile 5	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Baradero Street, North Bay Blvd., Navotas City	57 MW	Bunker C/ Diesel	July 9, 2024 - July 8, 2025	July 5, 2024
			Auxiliary Diesel Engine Generating Unit		0.400 MW	ADEGU		
Provisional Authority to Operate	Therma Mobile, Inc.	Barge 4/ Mobile 6	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Baradero Street, North Bay Blvd., Navotas City	48.400 MW	Bunker C/ Diesel	July 9, 2024 - July 8, 2025	July 5, 2024
			Auxiliary Diesel Engine Generating Unit		0.400 MW	ADEGU		
Provisional Authority to Operate	Therma Power-Visayas, Inc.	Naga Oil-Fired Power Plant (NOPP)	Oil-Fired Power Plant	Naga Power Plant Complex, Brgy. Colon, Naga City, Cebu	37.200 MW	Bunker C	December 19, 2024 – December 18, 2025	December 13, 2024
		Blackstart Diesel Engine Generating Unit	Blackstart		.440 MW	Diesel		
Provisional Authority to Operate	Therma South, Inc.	Therma South Circulating Fluidized Bed Coal-Fire Power Plant	Coal Fired Power Plant	Brgy. Binugao, Toril District, Davao City	300.050 MW	Coal	September 1, 2024 – August 31, 2025	September 30, 2024
		Emergency Diesel Engine Generating Unit			.750 MW	EDEGU		
Provisional Authority to Operate	Therma Visayas, Inc.	Therma Visayas Circulating Fluidized Bed Coal-Fired Power Plant	Coal-Fired Power Plant	Brgy. Bato, Toledo City, Cebu	353.94 MW	Coal	January 5, 2025 - January 4, 2026	January 2, 2025
Provisional Authority to Operate	TeaM Energy Corporation *(Administrator:*	Pagbilao Coal Fired Power Plant	Coal Fired Thermal Power Plant	Isla Grande, Ibabang Polo,	751.4 MW	Coal	July 20, 2024 -	June 28, 2024

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
		Name	Type	Location	Capacity	Fuel	Economic Life/Term of COC	
	Therma Luzon, Inc.)		Emergency Diesel Engine Generating Unit	Pagbilao, Quezon	.800 MW	EDEGU	July 19, 2025	
Provisional Authority to Operate	Pagbilao Energy Corporation	Pagbilao Unit 3 Coal Fired Thermal Power Plant	Coal Fired Thermal Power Plant	Isla Grande, Ibabang Polo, Pagbilao, Quezon	437.750 MW	Coal	February 2, 2025 – February 1, 2026	January 30, 2025
			Emergency Diesel Engine Generating Unit		1.040 MW	Diesel		
Provisional Authority to Operate	GNPower Mariveles Coal Plant Ltd. Co.	GNPower Mariveles Coal Fired Power Plant	Coal Fired Power Plant Blackstart	Brgy. Alas-asin, Mariveles, Bataan	651.610 MW	Coal	December 3, 2024 – December 2, 2025	November 27, 2024
Provisional Authority to Operate	GNPower Dinginin Ltd. Co.	Unit 1	Supercritical Coal-Fired Power Plant	Coastal Area, Sitio Dinginin, Brgy. Alas-asin, Mariveles, Bataan	1,449.930 MW	Coal	December 2, 2021 - December 1, 2026	October 11, 2022
		Unit 2					October 11, 2022 – December 1, 2026	

Distribution Business

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

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

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

Distribution Utility	Franchise	Term	Expiry
Visayan Electric	RA No. 9339	25 years from effectivity of RA No. 9339. RA No. 9339 was approved on Sept. 1, 2005.	Valid until September 24, 2030
	ERC Certificate No. CPCN-09-01 (ERC Decision dated January 26, 2009, ERC Case No. 2008-095 MC).	25 years, or from September 24, 2005 to September 24, 2030	
Davao Light	RA No. 8960	25 years from effectivity of RA No. 8960, or from September 7, 2000	September 7, 2025
	ERC CPCN Decision dated February 26, 2002, ERC Case No. 2001-792	25 years, or from September 7, 2000 to September 7, 2025	
	RA No. 11515	25 years from expiration of the term granted under RA No. 8960, or from September 7, 2025 to September 7, 2050 (Lapsed into law on December 26, 2020)	Valid until September 7, 2050

Distribution Utility	Franchise	Term	Expiry
Cotabato Light	RA No. 10637	25 years from the effectivity of RA No. 10637, as amended. RA No. 10637 was approved on June 16, 2014.	Valid until June 16, 2039
	ERC Certificate No. CPCN-14-001 (ERC Decision dated December 9, 2019, ERC Case No. 2013-063 MC)	25 years, or from June 17, 2014 or until June 16, 2039	
SFELAPCO	RA No. 9967	25 years from effectivity of RA No. 9967 (Lapsed into law on February 6, 2010)	Valid until March 23, 2035
	ERC Certificate No. CPCN-10-01 (ERC Decision dated August 31, 2010, ERC Case No. 2010-029 MC)	25 years, or from March 24, 2010 to March 23, 2035	
Subic Enerzone	Distribution Management Service Agreement (DMSA) between Subic Enerzone and Joint Venture of AEV-Davao Light	Notarized on May 15, 2003. Term of the DMSA is 25 years.	Valid until May 15, 2028

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

Retail Electricity Supply Business

Like power generation, the business of supplying electricity is not considered a public utility operation under EPIRA, but is considered a business affected with public interest. As such, EPIRA requires all suppliers of electricity to end-users in the contestable market, other than distribution utilities within their franchise areas, to obtain a license from the ERC. With the implementation of Open Access in 2013, AboitizPower's RES Subsidiaries, Adventpower, AdventEnergy, SN Aboitiz Power – RES, and Prism Energy, obtained separate licenses to act as RES. In 2020, TLI and APRI also obtained their separate licenses as RES. All entities were also granted operating permits to participate in GEOP.

Trademarks

AboitizPower and its Subsidiaries own, or have pending applications for the registration of, intellectual property rights for various trademarks associated with their corporate names and logos. The following table sets out information regarding the trademark applications the Company and its Subsidiaries have filed with the Philippine IPO and their pending trademark applications abroad.

Philippine IPO

Trademarks	Owner	Date Filed	Registration No./Date Issued	Description	Status
A Better Future word mark (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	April 23, 2010 Request for renewal filed on October 23, 2020	4-2010-004383 November 11, 2010 Mark renewed on November 11, 2020	Application for the word mark "A Better Future".	Registered
Better Solutions word mark (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	April 23, 2010 Request for renewal filed on October 23, 2020	4-2010-004384 November 11, 2010 Mark renewed on November 11, 2020	Application for the word mark "A Better Solutions".	Registered
AboitizPower word mark (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	April 23, 2010 Request for renewal filed on	4-2010-004385 November 11, 2010	Application for the word mark "AboitizPower".	Registered

Trademarks	Owner	Date Filed	Registration No./Date Issued	Description	Status
		October 23, 2020	Mark renewed on November 11, 2020		
AboitizPower Spiral Device (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	April 23, 2010	4-2010-004380 February 10, 2011 Application for renewal filed on February 10, 2021	Application for the device mark "AboitizPower Spiral and Device", with color claim. The representation of a spiral rendered in blue.	Registered
Cleanergy word mark (Class No. 40)	Aboitiz Power Corporation	October 19, 2001	4-2001-007900 January 13, 2006 Mark renewed on 13 January 2016	Application for the word mark "Cleanergy".	Registered
Cleanergy word mark (Class Nos. 39 and 42)	Aboitiz Power Corporation	January 16, 2019	4-2019-000850 June 9, 2019	Application for the word mark "Cleanergy" for the additional goods and services under Class Nos. 39 and 42.	Registered
Cleanergy Get It and Device (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	April 23, 2010 Request for renewal filed on October 23, 2020	4-2010-004381 November 11, 2010 Mark renewed on November 11, 2020	Application for the device mark "Cleanergy Get it and Device". The word Cleanergy", with color claim. The phrase "get it" below it with both words endorsed by representation of a thumbs up sign. The whole mark is rendered in two shades of green.	Registered
Cleanergy Got It and Device (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	April 23, 2010 Request for renewal filed on October 23, 2020	4-2010-004382 November 11, 2010 Mark renewed on November 11, 2020	Application for the device mark "Cleanergy got it and device". The word "Cleanergy" with the phrase "got it" below it with both words endorsed by representation of a thumbs up sign. The whole mark is rendered in two shades of green.	Registered
AboitizPower and Device (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	April 23, 2010	4-2010-004379 February 10, 2011 Application for renewal filed on February 10, 2021	Application for the device mark "AboitizPower and Device", with color claim.	Registered

Trademarks	Owner	Date Filed	Registration No./Date Issued	Description	Status
Subic EnerZone Corporation and Logo (Class No. 39)	Subic EnerZone Corporation	July 6, 2006	4-2006-007306 August 20, 2007 Mark renewed on August 20, 2017	Trademark application for Subic EnerZone Corporation and Logo, with color claim (blue and yellow). The mark consists of the words "SUBIC ENERZONE" in Fujiyama extra bold font with the word "CORPORATION" below it, also in Fujiyama font, rendered in cobalt medium blue color, and a representation of the letter "S" taking the shape of a flame (the company logo) above the words. The logo is likewise rendered in the cobalt medium blue color in a yellow background.	Registered
Subic EnerZone Corporation and Logo (Class No. 39)	Subic EnerZone Corporation	July 6, 2006	4-2006-007305 August 20, 2007 Mark renewed on August 20, 2017	Application for the Subic EnerZone Corporation word mark and device (gray). The mark consists of the words "SUBIC ENERZONE" in Fujiyama extra bold font with the word "CORPORATION" below it, also in Fujiyama font, and a representation of the letter "S" taking the shape of a flame (the company logo) above the words.	Registered
Subic EnerZone Corporation word mark (Class No. 39)	Subic EnerZone Corporation	July 6, 2006	4-2006-007304 June 4, 2007 Mark renewed on June 4, 2017	Application for the word mark "Subic EnerZone Corporation".	Registered
Cotabato Light Logo (Class No. 39)	Cotabato Light and Power Corporation	May 29, 2019	4-2019-502915 October 20, 2019	Application for the logo "Cotabato Light"	Registered
Davao Light Logo (Class No. 39)	Davao Light and Power Corporation	May 29, 2019	4-2019-502917 October 20, 2019	Application for the logo "Davao Light"	Registered
Balamban Enerzone Logo (Class No. 39)	Balamban Enerzone Corporation	May 29, 2019	4-2019-502910 February 10, 2020	Application for the logo "Balamban Enerzone"	Registered
Mactan Enerzone Logo (Class No. 39)	Mactan Enerzone Corporation	May 29, 2019	4-2019-502911 February 20, 2020	Application for the logo "Mactan Enerzone"	Registered

Trademarks	Owner	Date Filed	Registration No./Date Issued	Description	Status
Lima Enerzone Logo (Class No. 39)	Lima Enerzone Corporation	May 29, 2019	4-2019-502912 February 20, 2020	Application for the logo "Lima Enerzone"	Registered
Malvar Enerzone Logo (Class No. 39)	Malvar Enerzone Corporation	May 29, 2019	4-2019-502913 February 20, 2020	Application for the logo "Malvar Enerzone"	Registered
Subic Enerzone Logo (Class No. 39)	Subic Enerzone Corporation	May 29, 2019	4-2019-502914 October 20, 2019	Application for the logo "Subic Enerzone"	Registered
Visayan Electric Logo (Class No. 39)	Visayan Electric Company, Inc.	August 29, 2019	4-2019-015288 December 29, 2019	Application for the logo "Visayan Electric"	Registered
MORE (Class 35)	Manila-Oslo Renewable Enterprise, Inc.	October 10, 2018	4-2018-00018077 February 21, 2019	Application for the logo "MORE" in dark blue	Registered
SN ABOITIZ POWER GROUP (Class 35 & 40)	Manila-Oslo Renewable Enterprise, Inc., SN Aboitiz Power-Magat, Inc. and SN Aboitiz Power-Benguet, Inc.	October 10, 2018	4-2018-00018076 February 5, 2019	Application for the logo "SN ABOITIZ POWER GROUP" in black, grey and white	Registered
SN ABOITIZ POWER-BENGUET, INC.	SN Aboitiz Power-Benguet, Inc.	April 30, 2014	4-2014-00005209 December 29, 2016	Application for the Logo "SN ABOITIZ POWER-BENGUET, INC."	Registered
SNAP ABOITIZ POWER-MAGAT, INC.	SN Aboitiz Power-Magat, Inc.	April 30, 2014	4-2014-00005208 March 9, 2017	Application for the Logo "SNAP ABOITIZ POWER-MAGAT, INC."	Registered
	SN Aboitiz Power-Magat, Inc.	23 November 2017	4-2017-00018969 June 7, 2018	Application for Logo	Registered
ADVENTENERGY Word Mark (Class no. 35, 37, 39, 42)	Adventenergy, Inc.	January 12, 2023	4-2023-00500773 January 4, 2024	Application for the Word Mark "ADVENT ENERGY"	Registered
ADVENTENERGY Logo (Class no. 35, 37, 39, 42)	Adventenergy, Inc.	April 4, 2024	4-2024-00509183 November 4, 2024	Application for the Logo "ADVENTENERGY" in blue	Registered
ADVENTPOWER Word Mark (Class no. 35, 37, 39, 42)	Adventpower, Inc.	February 6, 2025	4-2025-00503280	Application for the Word Mark "ADVENTPOWER"	Ongoing registration
ADVENTPOWER Logo (Class no. 35, 37, 39, 42)	Adventpower, Inc.	February 6, 2025	4-2025-00503285	Application for the Logo "ADVENTPOWER" in blue	Ongoing registration

International Trademarks (Non-Madrid Protocol)

AboitizPower has the following registered international trademarks:

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

The abovementioned trademarks are also in the process of being registered in Malaysia.

International Trademarks Application (Madrid Protocol)

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

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

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

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

EFFECTS OF EXISTING OR PROBABLE GOVERNMENT REGULATIONS ON THE BUSINESS

AboitizPower and its Subsidiaries are subject to the laws generally applicable to all Philippine corporations, such as corporation law, securities law, tax laws, and the Local Government Code. All Philippine corporations are also subject to labor laws and social legislation, including RA No. 11199 or the Social Security Act of 2018, RA No. 10606 or the National Health Insurance Act of 2013, RA No. 11223 or the Universal Health Care Act, RA No. 9679 or the Home Development Mutual Fund Law of 2009, The Philippine Labor Code and its implementing rules, and other labor-related laws, regulations, and DOLE-mandated work-related programs.

The Aboitiz Group closely monitors its compliance with the laws and government regulations affecting its businesses.

1. Ease of Paying Taxes Act (EOPT Act)

RA No. 11976, otherwise known as the Ease of Paying Taxes ("**EOPT**") Act, was signed into law by President Ferdinand Romualdez Marcos, Jr. on January 5, 2024 and took effect on January 22, 2024. The law seeks to introduce significant amendments to the National Internal Revenue Code of 1997 (the "**Tax Code**") and aims to modernize and increase the efficiency and effectiveness of Philippine tax administration and strengthen taxpayer rights.

Among the salient features of the EOPT Act include:

(a) Classification of taxpayers into micro, small, medium, and large according to their gross sales;
(b) Filing of returns and payment of internal revenue taxes through electronic or manual means such as authorized agent banks, Revenue District Office (through its Revenue Collection Officers), or authorized software providers;
(c) Repeal of Section 34(K) of the Tax Code, which provides that expenses not subjected to the appropriate withholding taxes will be disallowed as deduction;
(d) Section 58 of the Tax Code on taxes withheld at source now includes a provision that the obligation to deduct and withhold taxes arises at the time the income has been made "payable". Previously, the obligation to withhold arises at the time when an expense has been paid, payable or accrued, whichever comes first, pursuant to Revenue Regulations No. 02-98, as amended;
(e) Harmonizing the rules on the VAT treatment of sales of goods and services, thereby requiring sales invoice for both;
(f) Ensuring availability of registration facilities to taxpayers not residing in the country;
(g) Removal of "business style" in the invoice requirements;
(h) Increase in the threshold for the mandatory issuance of receipts for each sale and transfer of goods and services from ₱100 to ₱500;
(i) Fixing the period for preservation of books of accounts at five years; and
(j) Classification of Value Added Tax (VAT) refund claims into low-, medium-, and high-risk claims which are based on the amount of VAT refund claim, tax compliance history, and frequency of filing of VAT refund claims, among others.

Due to the standardization of VAT rules for sales of goods and services as mentioned in subparagraph (e) above, service providers are required to pay and remit VAT to the BIR at the time their invoice is issued to their customers. This creates a risk to said taxpayers since they might not be able to recover from non-paying customers. To mitigate the risk, the EOPT Act has introduced specific safeguards, i.e.:

(a) A provision for clawback, which clearly states that output VAT on uncollected receivables may be deducted on the next quarter after the lapse of the agreed upon period to pay; and
(b) A clear determination that gross sales, forming the VAT base, shall exclude pass-thru charges or those earmarked for payment to third parties, and reimbursements.

2. Real Property Valuation and Assessment Reform Act (RPVARA)

RA No. 12001, otherwise known as the Real Property Valuation and Assessment Reform Act ("**RPVARA**"), was enacted on June 13, 2024 and became effective on July 3, 2024. It aims to promote the development of a just, equitable, and efficient real property valuation system, and broaden the tax base used for property and property-related taxes of the national and local governments.

Among the salient features of RPVARA include:

(a) Establishing and maintaining standards based on Philippine Valuation Standards ("**PVS**") to govern the valuation of real properties in the country;
(b) Adopting market value as the single property valuation base for the assessment of real property-related taxes, and for the valuation of real property for various transactions by all government agencies (i.e., elimination of different valuations being used by government offices); and
(c) Providing a comprehensive and up-to-date electronic database of all real property transactions.

RPVARA mandates that (1) The Register of Deeds shall submit to the local assessor copies of all contracts selling, transferring, or otherwise, converting, leasing or mortgaging registered real properties every end of the month. (2) The Register of Deeds, Bureau of Internal Revenue, notaries public, officials issuing building permits, and the geodetic engineers conducting surveys within a locality shall electronically transmit to the BLGF relevant real property transactions data every quarter.

Pursuant to RPVARA, the Bureau of Local Government Finance and Department of Finance are charged with developing the PVS to be used by the local government units, and other persons and entities that conduct valuation of lands, buildings, machineries and other real properties for taxation and other purposes.

Local assessors shall prepare the Schedule of Market Values ("**SMVs**"). for different classes of real properties within their respective jurisdictions based on the PVS and other rules issued by the DOF. The SMV shall be the single real property valuation base for the assessment of real property-related taxes in the country

The BLGF shall likewise develop and maintain an up-to-date electronic database which must record the (1) the sale, exchange, lease, mortgage, donation, transfer and all other real property transactions and declarations in the country; (2) cost of construction or renovation of buildings and other structure; and (3) prices of plant, machinery and equipment.

In addition, RPVARA provides to real property owners an option to avail of tax amnesty for the penalties, surcharges, and interests from all unpaid real property taxes. Such amnesty may be availed of by the delinquent property owner within two years from its effectivity, or until July 3, 2026.

On December 10, 2024, the Department of Finance approved the implementing rules and regulations of RPVARA.

3. Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy Act

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

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

(a) Reduces the corporate income tax rate of registered business enterprises ("**RBE**") under the Enhanced Deduction Regime to 20%;
(b) Introduces additional deductions for RBEs under the Enhanced Deduction Regime;
(c) Extends the coverage of 5% Special Corporate Income Tax benefit to cover all national and local taxes, including local fees and charges;
(d) Simplifies local taxation by giving an option to LGU to impose local taxes on RBEs up to maximum rate of 2% of gross income which shall be in lieu of all local taxes, fees, and charges;
(e) Addresses ambiguities in the VAT provisions under the CREATE Act, specifying the goods and services eligible for VAT exemptions and zero-rating – i.e., relaxed the rule in order to be entitled from "directly and exclusively used" to "directly attributable" to the registered project or activity;
(f) Extends the entitlement period to tax incentives granted to RBEs;
(g) Introduces special provisions for high-value domestic market enterprises (HVDMEs), defined as those (i) with investment capital exceeding ₱15 bn and are engaged in sectors considered import-

substituting, or (ii) with export sales in the immediately preceding year of at least USD100 Million or equivalent in acceptable foreign currency; and

(h) Clarifies that RBEs granted incentives prior to CREATE Act ("**Pre-CREATE RBEs**") may continue to avail of the same until December 31, 2034.

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

4. Revised Corporation Code and Related SEC Circulars

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

5. The Philippine Competition Act

On March 1, 2025, the PCC rendered effective the new thresholds for the notification requirements for mergers and acquisitions as follows:

Test	New Threshold (effective March 1, 2025)
Size of Party Test	₱8.5 bn
Size of Transaction Test	₱3.5 bn

This means that if the value of the assets or revenues of the Ultimate Parent Entity (UPE) of at least one of the parties exceeds ₱8.5 billion and the value of the assets or revenues of the acquired, target or merged entity exceeds ₱3.5 billion, then the parties must notify the PCC of the transaction, provided that, the other requirements under the Philippine Competition Act are met.

Under the PCA and the PCA IRR, a transaction that meets the thresholds and does not comply with the notification requirements and waiting periods shall be considered void and will subject the parties to an administrative fine of 1% to 5%. of the value of the transaction.

6. Amended Foreign Investment Act of 1991 (Amended FIA)

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

Under this law, foreign nationals are now allowed to engage in a domestic market enterprise with a minimum capital requirement of US$100,000.00 provided that the enterprise: (a) utilizes advanced technology as determined by the Department of Science and Technology; (b) endorsed as a start-up or start-up enabler under RA No. 11337 or the Innovating Startup Act; or (3) composed of a majority of Filipino employees, which shall not be less than 15. Other salient features of the Amended FIA include: (a) a required understudy or skills development program by registered foreign enterprises to ensure skills and technology transfer to Filipinos; (b) allowing 100% foreign investment in a domestic enterprise unless participation of foreigners is limited to a smaller percentage; and (c) allowing 100% foreign investment in an export enterprise provided that the products or services do not fall under the Foreign Investments Negative List.

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

7. Data Privacy Act of 2012

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

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

In 2017, AboitizPower launched its Data Privacy Compliance Program, aligning it with the Information Security Management System ("**ISMS**") across the Aboitiz Group. This initiative included the development and implementation of data privacy policies, manuals, guidelines, and procedures, ensuring a structured and standardized approach to data protection.

To strengthen privacy awareness and education, AboitizPower and its Business Units have established a strong foundation in data privacy principles through various learning initiatives. These include E-Learning modules, quizzes, Quarterly PDBlitz campaigns, upskilling sessions, and data breach management exercises, all designed to assess and enhance the company's readiness to respond to actual incidents.

In 2020, AboitizPower introduced the 1AP Incident Management process, providing a standardized governance framework across its Business Units. This process ensures a consistent approach to incident notification, assessment, resolution, verification, evidence handling, post-event investigation, business recovery, and incident wrap-up. Among the various incident types covered, information security and data privacy breaches remain a key focus.

In 2023, AboitizPower and certain affiliates and subsidiaries of Aboitiz Equity Ventures (AEV) executed an Omnibus Data Sharing Agreement ("**ODSA**") to facilitate the free flow of information across different business units following the regulatory framework. This agreement establishes adequate safeguards for data privacy and security, ensuring that data sharing activities uphold the rights of data subjects while serving legitimate business purposes.

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

AboitizPower continues to strengthen business continuity resilience, particularly in personal data protection and data breach management. Notably, the Company has improved its compliance score on the NPC's 32-Point Data Privacy Compliance Checklist, increasing from 94% in 2023 to 96% in 2024.

AboitizPower's commitment to data privacy governance has been recognized globally. In the 2024 S&P Global Corporate Sustainability Assessment ("**CSA**"), the Company advanced to seventh place worldwide due to significant improvements in data protection governance. Additionally, AboitizPower's privacy protection was ranked fifth among rated companies in Asia Pacific, underscoring its leadership in data privacy and security.

8. Labor Laws

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

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

(a) *Social Security System, PhilHealth and the Pag-IBIG Fund*

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

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

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

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

(b) *The Labor Code*

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

(c) *Occupational Safety and Health Law*

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

Other Labor-Related Laws and Regulations

(d) *Contracting and Subcontracting*

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

The DOLE, through its Department Order No. 174, Series of 2017, regulates subcontracting arrangements by requiring, among others, the registration of contractors with the Regional Office of the DOLE where it principally operates. D.O. 174 provides that, in the event of a finding that the contractor or subcontractor is engaged in labor-only contracting and other illicit forms of employment arrangements, the principal shall be deemed the direct employer of the contractor's or subcontractor's employees. Further, in the event of violation of any provision of the Labor Code, including the failure to pay wages, there exists liability on the part of the principal and the contractor for purposes of enforcing the provisions of the Labor Code and other social legislation, to the extent the work was performed under the employment contract.

(e) *DOLE Mandated Work-Related Programs*

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

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

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

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control. In line with the Mental Health Act (RA No. 11036), employers are further required to develop policies and programs on mental health in the workplace designed to: raise awareness on mental health issues, correct the stigma and discrimination associated with mental health conditions, identify and provide support for individuals at risk, and facilitate access to treatment and psychosocial support.

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

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

Policies and Regulations Relating to the Power Industry

1. WESM in Mindanao

On January 26, 2023, the DOE posted an Advisory confirming the Department Circular No. DC2022-12-039 that declared the Commercial Operation Date of WESM in the Mindanao grid. Commercial operations commenced as scheduled.

2. Independent Market Operator

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

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

In June 2019, the ERC posted for comments its draft Rules for Setting Distribution Wheeling Rates and Issues Paper for the Regulatory Reset of the First Entry Group - Meralco, Cagayan Electric Power & Light Co. Inc. ("**Cagayan Electric**"), and Dagupan Electric Corporation ("**Dagupan Electric**"). Various public consultations were held in July 2019. The ERC issued its Decision dated September 24, 2020 denying consumer group Matuwid na Singil sa Kuryente Consumer Alliance, Inc. ("**MSK**")'s petition to revert to Return-on-Rate-Base ("**RORB**"), without prejudice to its right to submit its comments in the revision of the rules during the next rate reset process of the distribution utilities.

Due to the rules change on PBR, none of the AboitizPower Distribution Utilities have undergone a regulatory reset starting from the third regulatory period. In January 2020, the ERC requested private distribution utilities to submit actual or historical expenditure covering the lapsed period. Due to the lockdown and quarantine restrictions, as well as unresolved clarifications as to what has to be provided to the ERC raised by the distribution utilities to the ERC through clarificatory meetings, private distribution utilities were not able to provide the data within the timeframe given by ERC.

In relation to this, the ERC issued show cause orders, all dated October 29, 2020, against Cotabato Light (docketed as ERC Case No. 2020-097 SC), Visayan Electric (docketed as ERC Case No. 2020-098 SC), Davao Light (docketed as ERC Case No. 2020-104 SC), and Subic Enerzone (docketed as ERC Case No. 2020-107 SC), requesting the foregoing distribution utilities to explain why they should not be penalized for the incomplete submission of the data requested by the ERC for its actual expenditure review. On January 7, 2021, the foregoing distribution utilities submitted their respective explanations, including a manifestation that all required data had been submitted as of December 29, 2020. The ERC has yet to resolve these cases. If found liable, the penalty for violation is ₱50,000.00 per distribution utility, pursuant to ERC Resolution No. 03, series of 2009.

On December 2, 2021, the ERC issued Resolution No. 10, series of 2021, modifying the Rules for Setting the Distribution Wheeling Rates ("**RDWR**") for private distribution utilities, and Resolution No. 11, series of 2021, adopting a Regulatory Asset Base ("**RAB**") Roll Forward Handbook. The RDWR and the RAB Handbook as adopted in these resolutions shall be applied in the next regulatory reset of AboitizPower Distribution Utilities.

The ERC directed the AboitizPower Distribution Utilities, through letters dated April 25, 2022, to file their respective Actual Weighted Average Tariff ("**AWAT**") applications, guided by the 2021 RDWR mentioned above. Second entry group distribution utilities are required to file by August 25, 2022, third entry group distribution utilities by September 25, 2022 and fourth entry group distribution utilities by October 25, 2022. Cotabato Light has submitted its application, while Visayan Electric, Davao Light, and Subic Enerzone requested clarification on certain issues relating to the ERC's requests and are awaiting clarification from the ERC prior to filing.

In 2022, the First Entry Group (Meralco, Cagayan Electric, and Dagupan Electric) commenced their application for a regulatory reset, which should have started in July 2022. Due to the delays in the resolution of the application, the regulatory period began without the ERC's approval. This prompted Meralco to withdraw its application. Through ERC Resolution No. 17, series of 2024, the ERC decided to push back the next regulatory period of Meralco to commence from July 2025 up to 2029. Distribution utilities from the other entry groups, including the AboitizPower Distribution Utilities, are expected to commence their regulatory period thereafter after the regulatory resets of the First Entry Group are settled.

4. ERC Regulation on Systems Loss Cap Reduction

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

5. Competitive Selection Process

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

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

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

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

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

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

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

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

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

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

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

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

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

In November 2022, NGCP conducted its AS CSP, resulting in several ASPAs with AboitizPower Generation Companies for the provision of Contingency Reserve, Dispatchable Reserve, Regulating Reserve, and/or Black Start Service. Consequently, several ASPA applications were filed with the ERC. Hearings for these applications were concluded in 2023 and the ASPAs are being operated under Provisional Authority/Interim Relief, with final approvals pending issuance by the ERC.

7. Ancillary Services Pricing and Cost Recovery Mechanism

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

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

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

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

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

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

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

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

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

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

9. Energy Efficiency and Conservation Act

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

Other Department Circulars promulgated by the DOE in relation to the Energy Efficiency and Conservation Act are as follows:

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

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

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

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

10. Energy Virtual One-Stop Shop Act

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

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

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

On October 31, 2023 the DOE released an Advisory that they will resume issuing Certificate of Energy Project of National Significance ("**CEPNS**") and will promulgate guidelines 60 days after the Advisory takes effect. As of January 31, 2025, the mentioned guidelines have yet to be promulgated. AboitizPower continues to monitor for any developments on the EVOSS Act.

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

11. Net Metering

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

Pertinent provisions include:

(a) Banking of Net-Metering Credits - All Net Metering Credits shall be banked for a maximum of one calendar year. Any excess of balance Net-Metering credits at the end of each calendar year shall be forfeited.
(b) Application to Off-Grids or Isolated Grid Systems - The Net Metering Program for End-User shall be allowed even in areas not connected to the country's three major national electrical transmission grids.
(c) Publication of Hosting Capacities for Net-Metering - The distribution utilities shall publish in their websites their respective Net-Metering programs, processes, and procedures, including hosting capacities on a per feeder or sector basis.
(d) Responsibility of the LGUs - All LGUs are enjoined to strictly comply with the provisions of EVOSS Law, RA No. 11032 (Ease of Doing Business and Efficient Government Service Delivery Act of 2018) in processing permits and licenses related to applications for Net-Metering arrangements.

(e) Responsibility of the National Electrification Administration ("**NEA**") - The NEA shall provide the necessary assistance in promoting the Net-Metering Program to all electric cooperatives nationwide.
(f) Development of Net Metering Guidebook - A guidebook on procedures and standards shall be developed by the DOE to be used by all stakeholders. The Renewable Energy Management Bureau shall prepare the Net Metering Guidebook, within six months from the effective date on this circular.

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

On September 9, 2024, the DOE published and submitted to the Office of the National Administrative Register ("**ONAR**") Department Circular No. DC2024-08-0025, Prescribing Further Policies to Enhance the Net-Metering Program For Renewable Energy Systems Amending, for this Purpose, Department Circular (DC) No. DC2020-10-0022. In line with this, on January 12, 2025, the ERC invited the public to provide feedback on the draft resolution amending ERC Resolution No. 6, Series of 2019 or the Resolution Adopting the Amendments to the Rules Enabling the Net-Metering Program for Renewable Energy. We are currently monitoring the finalization of the ERC rules.

12. Reliability Performance Indices

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

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

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

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

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

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

13. Prescribing Revised Guidelines for Qualified Third Party

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

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

In 2023, the DOE conducted the 1st Micro Grid Service Provider Competitive Selection Process ("**MGSP-CSP**") for eight unserved areas in the Provinces of Cebu, Quezon, and Palawan.

14. Promulgating the Renewable Energy Market (REM) Rules

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

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

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

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

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

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

15. Feed-in-Tariff System

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

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

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

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

On February 19, 2025, the ERC has approved a new rate of ₱0.1189 kWh for the feed-in tariff allowance (FIT-All), which will take effect starting in March 2025.

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

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

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

17. Green Energy Auction Policy

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

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

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

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

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

The second round of GEA ("**GEA-2**") was completed in 2023, and the results of the third round of GEA ("**GEA-3**") are currently being evaluated as of January 31, 2025.

On March 12, 2025, the DOE posted the Notice of Auction for the fourth round of GEA ("**GEA-4**"). GEA-4 aims to add 10,478MW of new capacity from ground-mounted solar, roof-mounted solar, floating solar, onshore wind, and solar + ESS (Energy Storage System). The upcoming GEA-4 round will mark a significant milestone as the DOE covered Integrated Renewable Energy and Energy Storage Systems (IRESS), specifically, solar power plants paired with Battery Energy Storage Systems (BESS).

18. Green Energy Option Program

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

The DOE posts an updated list of RE Suppliers under GEOP at its website to help inform consumers so they can exercise their options. Latest update was in May 2024.

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

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

19. Retail Competition and Open Access

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

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

On August 14, 2024, the ERC issued A Resolution Adopting the Omnibus Rules for Customer Choice Programs in the Retail Market. ERC Resolution No. 13, Series of 2024 or the Omnibus Rules for Customer Choice Programs in the Retail Market consolidates and updates the regulations for Retail Competition and Open Access (RCOA), Retail Aggregation Program (RAP), and the Green Energy Option Program (GEOP). It reaffirms the rights and obligations of retail electricity suppliers (RESs) and customers, sets eligibility criteria for end-users, strengthens RES licensing, outlines rules for retail aggregation, enumerates consumer rights, and defines RES good standing, among others.

20. The Open Access Transmission Service Rules

The Open Access Transmission Service ("**OATS**") Rules describe the requirements and services provided by the Transmission Network Provider ("**TNP**") that operates the high voltage backbone transmission system. The OATS Rules outline the responsibilities of the TNP and the functions of the SO as specified in the Philippine Grid Code ("**PGC**") and the WESM Rules. It also sets out the responsibilities accepted by transmission customers as a condition of receiving the services. The OATS Rules aims to ensure the development of an appropriate, equitable and transparent electricity market, along with the safe, reliable, and efficient operation of the power system.
On June 9, 2022, the ERC published the 2022 Edition of the OATS, which was approved and adopted through ERC Resolution No. 03, series of 2022. AboitizPower continues to monitor for any developments on the OATS Rules.

21. Amendments to the Public Service Act

Commonwealth Act No. 146, otherwise known as the Public Service Act, is a law governing the regulation of public services, which originally included "electric light, heat and power." On March 21, 2022, former President Duterte approved the amendments to the Public Service Act. The new law, Republic Act No. 11659, included amendments to the classification of certain public services as public utilities, which included both the distribution and transmission of electricity.

The amendments also provided for revisions in the regulatory authorities of administrative agencies, but also provided that nothing in the Public Service Act shall be construed as amending or repealing laws and administrative regulations deregulating or delisting services, industries and/or rates.

22. Retail Aggregation

On June 24, 2022, the ERC published on its website ERC Resolution No. 04, Series of 2022, entitled "A Resolution Adopting the Rules for the Electric Retail Aggregation Program." The Retail Aggregation Rules establish standardized rules and procedures governing the aggregation of electricity requirements of End-users in the CREM and prescribing and clarifying the requirements, conditions, eligibility, qualifications, and disqualifications of participants and the Aggregator in the Retail Aggregation Program.

The rules on aggregation were consolidated in ERC Resolution No. 13, series of 2024, entitled A Resolution Adopting the Omnibus Rules for Customer Choice Programs in the Retail Market.

23. Distributed Energy Resource

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

24. Pass Through Charges

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

ESTIMATE OF AMOUNT SPENT FOR RESEARCH AND DEVELOPMENT ACTIVITIES

AboitizPower and its Subsidiaries do not allocate specific amounts or fixed percentages for research and development. All research and developmental activities are done by AboitizPower's Subsidiaries and Affiliates on a per project basis. The allocation for such activities varies according to the nature of the project.

As reflected in AboitizPower's Audited Consolidated Financial Statements as of December 31, 2024, additions to project development costs amounted to ₱1.16 Bn, ₱574.61 Mn and ₱595.82 Mn in 2024, 2023 and 2022, respectively. Project development costs represent 0.59%, 0.28% and 0.31% of total revenues in 2024, 2023 and 2022, respectively. The discussion on the nature of these costs is disclosed in Note 3, Summary of Significant Accounting Policies, and Note 13, Intangible Assets, of Aboitiz Power's Audited Consolidated Financial Statements as of December 31, 2024.

COSTS AND EFFECTS OF COMPLIANCE WITH ENVIRONMENTAL LAWS

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

Standard laws and regulations that govern business operations include the Clean Air Act (RA No. 8749), Ecological Solid Waste Management Act (RA No. 9003), Clean Water Act (RA No. 9275), Toxic Substances and Hazardous and Nuclear Wastes Control Act (RA No. 6969), Philippine Environmental Impact Statement System (PD No. 1586), and Occupational Safety and Health Standards (RA No. 11058). The RE Law also adds new and evolving measures that must be complied with. These laws usher in new opportunities for the Company and set competitive challenges for the businesses covered. Additional regulations such as DOE's Energy Regulation No. 1-94 require generation companies to allocate Reforestation, Watershed Management, Health and/or Environment Enhancement Fund ("**RWMHEEF**") for the benefit of the identified host communities and protection of the natural environment. Further, funds are set for the management of carbon sinks and watershed areas through a nationwide reforestation program where required by the facilities' Environmental Compliance Certificate and/or related commitments such as approved Environmental Management Plans.

The Safety, Health, Environment and Security ("**SHES**") group of AboitizPower oversees the SHES programs and activities, including the accounting of all environmental impacts, within its operational control from the corporate center, business units, to facility teams. For the Generation Group, the facilities include: (1) APRI's Tiwi-MakBan plants, (2) SacaSun's San Carlos plant, (3) PV Sinag's Cayanga-Bugallon plant (4) the Benguet, Bakun, Sabangan, Sibulan A, B, and Tudaya A, Tudaya B, Manolo Fortich, and Talomo HEPPs of the Hedcor Group, (5) SN AboitizPower Group's Ambuklao, Binga, Magat, and Maris plants, (6) the Cebu, Mactan, Mobile 1, Mobile 2, Mobile 3-6, and Naga oil plants, and (6) Davao and Toledo coal plants. For the Distribution Utilities, the facilities include Cotabato Light, Davao Light, Visayan Electric, Balamban Enerzone, Mactan Enerzone, Lima Enerzone, Malvar Enerzone, and Subic EnerZone.

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

AboitizPower and its Subsidiaries commit to following international best practices in all power plants and distribution utilities, in line with its Safety, Health, and Environment Policy. This is evidenced by obtaining ISO certification for the management systems pertaining to Quality, Environment, and Occupational Health and Safety, with an 88% coverage for the Distribution Group and a 97% coverage for the Generation Group. Meanwhile, the AboitizPower Distribution Utilities, except for Malvar Enerzone, have maintained their certifications on ISO 9001:2015 Quality Management System, ISO 45001:2018 Occupational Health and Safety Management System and ISO 14001:2015 Environmental Management System. In the case of the Generation Group, only PV Sinag Power Inc. remains uncertified to the three aforementioned standards.

In 2024, AboitizPower's commitment to continuous improvement in managing environmental impacts is evident in its total environmental management operating expense (OpEx) at ₱[83.9] mn and environment-related capital expenditure (CapEx) of ₱[9.9] mn. This consists of ₱[36.6] mn for the Renewables Group, ₱[47.3] mn for the Transition Business Group, and ₱[9.8] mn for the Distribution Utilities. The distribution of the total expenses for OPEX and CAPEX are as follows: (i) [50] % for Internal Initiatives and Programs including compliance monitoring; (ii) [27] % for External Initiatives; (iii) [12] % for Waste Disposal; and (iv) the remaining [10] % are CAPEX. The Company prioritizes adherence to Hazardous Waste Management rules. The Geothermal Group has invested in enhancements to its Continuous Ambient Air Monitoring Stations, while the Hedcor Group upgraded its primary nursery and updated water level sensors.

AboitizPower exceeds basic adherence to environmental standards by proactively endorsing diverse environmental activities. The Company engages in initiatives such as Adopt an Estero/Waterbody and maintains its support to the Continuous Ambient Air Monitoring System to the Environmental

Management Bureau (EMB) of the DENR. In 2024, AboitizPower participated in 99 environmental initiatives, facilitating the planting of 307,643 trees across about 278 hectares with the support of nearly 3,206 volunteers. The Company facilitated and supported 104 coastal and river clean-up initiatives, leading to the collection of approximately 29,691 kg of waste and the engagement of 3,362 volunteers.

AboitizPower and its Subsidiaries received a total of [57] awards, certifications, and citations in 2024 concerning Safety, Health, and Environmental Services (SHES). SN AboitizPower \- Benguet received the prestigious ASEAN Occupational Safety and Health Network ("**OSHNET**") Award for its innovative safety practices, setting high standards for the region. Makban Geothermal Plant and Tiwi Geothermal Plant were honored with the DOE Safety and Health Association of the Philippine Energy Sector ("**SHAPES**") Award for their leadership in promoting safety, health, and productivity in the energy sector, while TMI Nasipit Plant earned the DOE Gawad Kaligtasan at Kalusugan Award for its continuous improvement in workplace safety. SN AboitizPower-Magat also received the DOE Gawad Kaligtasan at Kalusugan Award, alongside the Gawad Kalasag for its proactive disaster risk management efforts. At the regional level, the Thermal Business Group and Davao Light were recognized by the DENR for their strong commitment to environmental sustainability and corporate social responsibility. These accolades reflect the outstanding efforts of these organizations in creating safer and healthier workplaces, advancing sustainability, and demonstrating leadership in their respective industries, setting an inspiring example for others to follow.

In 2024, AboitizPower and its Subsidiaries did not incur any major sanctions for violation of environmental standards and laws. AboitizPower continues to be cognizant of new opportunities to comply with regulatory requirements and improvement of systems to promote safety and prevent adverse impacts to the environment or affected ecosystems.

EMPLOYEES

At the parent company level, AboitizPower has a total of 536 employees as of May 15, 2025. This figure includes executives, managers, supervisory, and rank-and-file staff employees. There is no Collective Bargaining Agreement ("**CBA**") covering AboitizPower employees.

The following table provides a breakdown of total employee headcount on a per business group basis, according to employees' function, as of May 15, 2025:

Business Group	Business Unit	Total	Executive	Manager	Supervisor	Staff	Unionized Employees	Expiry of CBA (mm/dd/yyyy)
Corporate	Aboitiz Power Corporation	536	93	147	116	180	0	N/A
Distribution Group	Cotabato Light & Power Company	99	1	4	12	53	29	06/30/2029
	Davao Light and Power Co., Inc.	456	5	24	62	244	121	06/16/2026
	Distribution Business Group	147	20	23	27	77	0	N/A
	Enerzones	84	3	10	12	59	0	N/A
	Visayan Electric Co., Inc.	476	3	22	53	268	130	12/31/2026
Renewable Group	Aboitiz Renewables, Inc.	244	38	76	49	81	0	N/A
	APRI (Geothermal)	289	11	34	64	180	0	N/A
	HEDCOR (RoR Hydros)	554	14	31	65	365	79	09/19/2028
	SN Aboitiz Power (Large Hydros)	213	23	64	72	54	0	N/A
Transition/	Thermal Mindanao	249	3	20	44	182	0	N/A

Thermal Group	Thermal National	391	47	80	126	138	0	N/A
	Thermal North Luzon	688	10	30	203	445	0	N/A
	Thermal South Luzon and MM	150	6	19	50	75	0	N/A
	Thermal Visayas	270	5	21	48	196	0	N/A
Total Employees per Job Level		**4,846**	**282**	**605**	**1,003**	**2,597**	**359**	

The Company does not anticipate any significant increase in manpower within the next twelve (12) months unless new development projects and acquisitions would materially require an increase.

INSURANCE

It is the Company's policy to obtain and maintain insurance coverage for its operating assets and employees that is in line with industry standards and good business practices. The Company ensures that all insurance policies are updated, renewed and provides best-fit coverage for the Company's insurance requirements.

Power Generation Companies

Group Insurance Program – Industrial All Risks (IAR).

To maximize the coverage and competitiveness of insurance terms and conditions, the Company consolidated the coverage of its major insurance programs for the following generating companies:

Group IAR Global Program 1: This program has a policy period of June 1, 2024 to May 31, 2026, procured through Pioneer Insurance and Surety Corporation and Malayan Insurance Co., Inc.

- GNPower Dinginin Ltd. Co.
- GNPower Mariveles Energy Center Ltd. Co.
- Therma South, Inc.
- Therma Visayas, Inc.
- SN Aboitiz Power - Benguet, Inc.
- SN Aboitiz Power - Magat, Inc.
- AP Renewables Inc.
- Hedcor Bukidnon Inc.
- Luzon Hydro Corp.

Group IAR Local Program: This program has a policy period of May 31, 2024 to November 30, 2025, procured through Pioneer Insurance and Surety Corporation

- East Asia Utilities Corporation
- Therma Power- Visayas, Inc. Therma Power-Visayas, Inc.
- San Carlos Sun Power Inc. Hedcor Tudaya, Inc.
- Hedcor, Inc.
- Hedcor Sabangan, Inc.
- Hedcor Sibulan, Inc.
- AP Renewables Inc.

These programs will respond to losses and/or damages to (a) declared properties including machinery breakdown; and (b) business interruption exposures.

Noting the uniqueness of the power barges, the Company has decided to engage separate program for the following Business Units to ensure that the insurance coverage is aligned with the risk exposures of the power barges:

- Therma Mobile, Inc.
- Therma Marine, Inc.

This program has a policy period of June15, 2024 to June 15, 2025, procured through Pioneer Insurance and Surety Corporation.

Other Plant covered under separate IAR policies include:
- Thermal Luzon, Inc.
- SPI Power Incorporated
- Pagbilao Energy Corporation
- Cebu Energy Development Corporation

Group Comprehensive General Liability Insurance. To mitigate risks related to Third Party Liability for bodily injury and/or property damage, the Company procured group cover for the following Business Units through Starr International Insurance Philippines with a policy period of November 30, 2023 to May 30, 2025.

Stand-alone Program. On a per Business Unit basis, stand-alone insurance programs were procured to ensure that unique risk exposures of particular Business Unit are mitigated.

Power Distribution Companies

Group Insurance Program. Seeing the benefits of grouping the insurance coverage, the Company has procured group cover for the following distribution companies:

- Visayan Electric Co., Inc.
- Davao Light and Power Co., Inc.
- Cotabato Light & Power Company
- Mactan Enerzone Corporation
- Balamban Enerzone Corporation
- Subic Enerzone Corporation
- Lima Enerzone Corporation
- Malvar Enerzone Corporation

The Group's policy covers Industrial All Risks (IAR) insurance that will respond for losses and/or damages to declared properties through Pioneer Insurance and Surety Corporation, as lead insurer, with policy period of May 31, 2024 to November 30, 2025.

Group Comprehensive General Liability Insurance. The operations of Distribution Companies come with Third Party Liability exposures. The Company has procured a Comprehensive General Liability insurance from Pioneer Insurance and Surety Corporation with combined single limit for bodily injury and/or property damage of ₱10 mn per occurrence and in the aggregate Policy period is from November 30, 2024 to November 30, 2025.

Insurance Program for Transmission & Distribution Lines. Seeing the need to mitigate major exposure on Transmission and Distribution lines, an insurance program for Visayan Electric and Davao Light in relation to loss of or damage to said properties including loss of gross profit was procured through Pioneer Insurance and Surety Corporation with a limit of US$16,000,000 each occurrence and in the aggregate with policy period of March 1, 2023 to February 28, 2024.

Applicable to Both Generation & Distribution Companies

Directors and Officers' Liability Insurance. In order to protect the balance sheet of the Company as well as the personal assets of the Company's directors and officers, a Directors and Officers Liability Insurance was procured. The coverage includes all subsidiaries of AEV. The policy has a total limit of US$25,000,000.00 issued by Starr International Insurance with a policy period of February 28, 2024 and expiring on February 28, 2025.

Group Insurance Program – Political Violence. The Company has procured Political Violence insurance, which is a broader form of Sabotage and Terrorism that covers property damage and business interruption caused by any acts of sabotage and/or terrorism and/or political violence for AEV Group including power generation and distribution units. This is a group policy with shared limit of US$250 mn for any acts of sabotage and/or terrorism and/or political violence. This program has a policy period of November 30, 2023 to May 31, 2025 insured through Pioneer Insurance and Surety Corporation.

Group Property and Electronic Equipment Insurance. Noting that office-based properties have lesser risk exposure compared to the generating plants, the Company has procured a separate policy to cover properties which are considered as office-based. This was procured from Pioneer Insurance and Surety Corporation. with policy period of July 31, 2024 to July 31, 2025.

Group Comprehensive Motor Vehicle Insurance. As motor vehicles are an integral part of operation, all registered motor vehicles of Aboitiz Power are covered under the Aboitiz Group's Motor Vehicle insurance through Pioneer Insurance and Surety Corporation with policy period of December 31, 2024 to December 31, 2025.

<u>Insurance Captive</u>

The Company established Potentia Insurance Pte. Ltd. ("**Potentia**") operating as a captive insurance company wholly owned by AboitizPower , established and operating in Singapore. Incorporated on July 4, 2024, Potentia was created to serve the insurance needs of its parent group by underwriting internal risks and driving risk management performance of its insured entities.

Potentia issued its first insurance policy on September 1, 2024, through AboitizPower's One Master Global Industrial All Risks Insurance Program. Potentia is currently focused on identifying additional opportunities to expand its involvement in other strategic insurance programs of the group.

CORPORATE SOCIAL RESPONSIBILITY

In fulfilling the triple bottom line framework of "people, planet, and prosperity," AboitizPower and its Business Units realize their aspirations to "advance business and communities" through the Aboitiz Group's social development arm, Aboitiz Foundation, Inc. ("**Aboitiz Foundation**"). As a partner in nation building, AboitizPower extends educational scholarships, cooperative assistance programs, environmental campaigns, and corporate social responsibility ("**CSR**") activities to its partner communities. Keeping with its framework and aspirations, the Aboitiz Group, via the Aboitiz Foundation, invested a total of ₱235 mn in CSR projects and initiatives to support its partner communities in 2023. Broken down, this consisted of ₱50.1 mn for future leaders' programs (e.g. educational scholarship), ₱78.2 mn for enterprise or livelihood programs, ₱12.4 mn for climate action, ₱71.5 mn for disaster resilience, and ₱23.1 mn for other initiatives. Moving towards its "Great Transformation" to a techglomerate, the Aboitiz Group will harness the opportunities brought forth by new technologies and innovations to further elevate the value, scalability, and sustainability of its CSR program projects.

AboitizPower continues to assist its partner communities through its compliance with Energy Regulations No. 1-94 (ER 1-94) Program. The aforementioned program is a policy under the DOE Act of 1992 and the EPIRA, which stipulates that host communities will get a share of one centavo for every kilowatt-hour (₱0.01/kWh) energy sold by power plants operating in its area. Host beneficiaries can use the funds generated for the electrification projects, development, and livelihood programs, reforestation, watershed management, health, and environmental enhancement initiatives. AboitizPower generated approximately ₱78 mn worth of ER 1-94 funds in 2024 to benefit about 150 host beneficiaries across the country.

Beyond Compliance

a. A-Park Program

The A-Park Program is the Aboitiz Group's partnership with the Ramon Aboitiz Foundation Inc., Philippine Business for Social Progress, and the carbon sink program of TSI and TVI as part of the Enhanced National Greening Program of the DENR. As the most prominent tree-growing initiative, it has resulted in the planting of as much as 12 mn trees, with about 300,000 trees planted by team member volunteers all over the archipelago in 2021. Of the 12 mn trees, AboitizPower contributed 5 mn from its tree-planting initiatives. Between 2016 to 2024, the Company has planted over 2.6 mn trees in 6,225 hectares.

b. Aboitiz Cleanergy Park

The Aboitiz Cleanergy Park, located in Davao City, serves as a sanctuary and safe nesting ground for the critically endangered Hawksbill sea turtles (Eretmochelys imbricata), as well as to more than 100 species of endemic and migratory birds, and marine species. The eight-hectare park actively promotes decarbonization in an urban area via habitat conservation and biodiversity management, showcasing a mangrove reforestation site, nursery, and botanical garden for the propagation of 29 native tree species. Since 2014, the park has already released more than 11,508 hatchlings to the sea, planted 27,003 mangroves, and rescued 31 pawikans. The DENR has designated it as the Pawikan Rescue Center of Davao City.

c. Cleanergy Center and Energy Education Resource Center

Located at the Makiling-Banahaw Geothermal Complex of APRI, the Cleanergy Center is an educational facility that upholds the Aboitiz Group's advocacy for renewable energy education - the first of its kind in the country. Launched in August 2013, the Center has audiovisual presentations, interactive displays, and a working geothermal power plant tour. It has since accommodated close to 65,531 local and foreign visitors.

Meanwhile, the Energy Education Center is a public facility at TSI's Davao baseload power plant that teaches electric power generation via interactive scale models and displays of the Philippine energy sector and various advanced technologies, as well as an overview of the power plant's 300 MW operations. Since its inauguration by TSI and the Aboitiz Foundation in May 2016, it has welcomed about 5,290 visitors.

d. Building Resilient Infrastructure and Communities through Kaibigans (B.R.I.C.K) Hubs

The Building Resilient Infrastructure and Communities through Kaibigans (B.R.I.C.K) Hub is a project that produces eco-bricks incorporating ash by-products from AboitizPower's power generation plants and community plastic wastes to the Company's community partners in Barangays Binugao and Inawayan in Davao and Toledo City, Cebu. The ash and plastics are upcycled into high-value pavers and bricks that are nine times stronger than a typical hollow block brick. Aside from providing livelihood opportunities, it promotes solid waste management, supports resilient infrastructure, and reduces the Company's environmental footprint. The project collaborates AboitizPower Business Units, TSI and TVI, with Green Antz Builders, Inc., United Kaibigan Multipurpose Cooperative (UKC), and Income Credit Cooperative (ICC). In 2024, the TVI Hub produced 14,000 bricks, utilizing 90,500 kgs. of fly ash from the power plant and 8,000 kgs of plastics from the community.

e. #BetterTogether Talks

Launched in 2021, the #BetterTogether series was created to improve its team members' knowledge and appreciation of Sustainability and different ESG topics and issues that impact the Company and its stakeholders. External subject matter experts are invited as speakers to enrich the discussion on the various sustainability concerns, and a few team member experts also join the panel discussions. In 2024, the learning discussions focused on ESG trends and dynamics, land restoration, occupational health and safety, and the International Financial Reporting Standards (IFRS).

f. Diversity, Equity, Inclusion and Belongingness (DEIB)

AboitizPower's diversity and inclusion campaign has focused on communicating merit primacy above gender, sexual orientation, age, religion, nationality, or ethnic background. In 2023, the Company advanced its advocacy in this area by releasing a DEIB Policy that recognizes its importance in the workplace and that the Company will ensure all of its employees are valued, protected, and celebrated. AboitizPower also partnered with organizations such as the

Philippine Financial & Inter-Industry Pride ("PFIP") and the Philippine Business Coalition for Women Empowerment ("**PBCWE**") to learn and improve practices for DEIB. In February 2024, the Company supported LGBTQ+ college leaders through the PFIP's 'Rainbow Youth Academy,' where the Company funded school fees, book, and digital tools for the student's education. The Company affirmed its support for diversity and inclusivity in the workplace by participating in the Pride March Festival at the Quezon Memorial Circle for the second year.

g. Sitio Electrification Program

The Philippine government's Sitio Electrification Program aims to electrify all barangays in the country. AboitizPower and its Subsidiaries have assisted the government with this program. In 2024, Visayan Electric delivered electricity to Barangay Bairan, a hilltop community located in the remote area of Naga City, Cebu. While in Davao City, Davao Light electrified Barangay Lumiad, a far-flung area. By supporting the government, the Company connects more isolated areas to the power grid and contributes to the country's economic development and poverty reduction.

h. Other Initiatives

As part of its efforts to reduce carbon emissions and improve climate change resilience, AboitizPower and its Subsidiaries took part in many other initiatives. These include tree planting, watershed projects, adoption of protected areas, Adopt-a-River, Adopt-a-Marine Sanctuary, coastal and river clean-ups, and Philippine Eagle Adoption. In addition, AboitizPower has also integrated pollution control devices and new technology and systems that improve its processes and optimize its resources.

PROPERTIES

The Company's head office is located at 32nd Street, Bonifacio Global City, 1635 Taguig City, NCR Fourth District, Philippines. The office space occupied by the Company is leased from a third party. As a holding company, the Company does not utilize a significant amount of office space. The Company intends to transfer its head office to Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City 1226 Metro Manila, Philippines, subject to the approval by the stockholders in the 2025 annual stockholders' meeting. As of May 15, 2025, there were no definite plans of acquiring properties in the next twelve months. Nonetheless, the Company plans to continually participate in future projects that become available to it and will disclose the same in accordance with the applicable disclosure rules under the SRC.

On a consolidated basis, AboitizPower's Property, Plant and Equipment were valued at around ₱220.16bn as of end-2024, as compared to ₱209.73 bn as of end-2023. The breakdown of the Company's Property, Plant and Equipment as of December 31, 2024 and December 31, 2023 is as follows:

Property, Plant and Equipment as of December 31	2024	2023
Land	3,943,663	2,438,196
Buildings, Warehouses and Improvements	59,267,297	58,488,612
Powerplant, Equipment, and Streamfield Assets	137,812,104	136,798,617
Transmission, Distribution and Substation Equipment	33,654,868	30,965,981
Transportation Equipment	2,101,214	1,942,736
Office Furniture, Fixtures and Equipment	1,806,095	1,807,882
Leasehold Improvements	3,206,075	3,267,309
Electrical Equipment	22,252,587	10,694,375
Meter and Laboratory Equipment	4,406,741	4,216,626
Tools and Others	1,917,663	1,649,182
Construction in Progress	24,995,539	21,132,222
Right-of-use Assets	37,015,682	35,424,123

Property, Plant and Equipment as of December 31	2024	2023
Less: Accumulated Depreciation and Amortization	108,050,687	94,550,993
Less: Accumulated Impairment	4,170,548	4,537,975
TOTAL	**220,158,293**	**209,726,892**

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

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

Subsidiary	Description	Location/Address	Condition
APRI	Geothermal power plants	Tiwi, Albay, Caluan, Laguna; Bay, Laguna; and Sto. Tomas, Batangas	In use for operations, used to secure long-term debt
Aseagas	Raw land and improvements	Lian, Batangas	Ceased operations
Hedcor	Hydropower plants	Kivas, Banengneng, Benguet; Beckel, La Trinidad, Benguet; Bineng, La Trinidad, Benguet; Sal-angan, Ampucao, Itogon, Benguet; and Bakun, Benguet	In use for operations
Hedcor Sibulan	Hydropower plant	Santa Cruz, Sibulan, Davao del Sur	In use for operations
Hedcor Tudaya	Hydropower plant	Santa Cruz, Sibulan, Davao del Sur	In use for operations
Hedcor Sabangan	Hydropower plant	Namatec, Sabangan, Mountain Province	In use for operations
Hedcor Bukidnon	Hydropower plant	Maluko, Manolo Fortich, Bukidnon	In use for operations
San Carlos Sun Power	Solar power plant	Eco Zone Boulevard, San Carlos Ecozone, Barangay Punao, San Carlos City, Negros Occidental	In use for operations
PV Sinag Power	Solar power plant	Cayanga, 2416 Bugallon, Pangasinan; Laoag, Aguilar, Pangasinan	In use for operations
EAUC	Bunker-C thermal power plant	Lapu-Lapu City, Cebu	In use for operations
TMI	Barge-mounted diesel power plants	Nasipit, Agusan del Norte and Barangay San Roque, Maco, Compostela Valley	In use for operations
TMO	Barge-mounted diesel power plants	Navotas Fishport, Manila	In use for operations
TSI	Coal-fired thermal power plants	Davao City and Davao del Sur	In use for operations, used to secure long-term debt
TVI	Coal-fired thermal power plants	Bato, Toledo, Cebu	In use for operations, used to secure long-term debt

Subsidiary	Description	Location/Address	Condition
TCVI	Industrial land	Colon, Naga City, Cebu	In use for operations
GMEC	Coal-fired thermal power plants	Mariveles, Bataan	In use for operations
Cotabato Light	Industrial land, buildings/ plants, equipment, and machinery	Sinsuat Avenue, Cotabato City	In use for operations
Davao Light	Industrial land, buildings/ plants, equipment, and machinery	P. Reyes Street, Davao City and Bajada, Davao City	In use for operations
	Substation equipment	Talomo, Matina Crossing Villa Abrille Estate, Indanga, Buhangin Davao City, Bobongon, Sto. Tomas, Davao	Ongoing development
Visayan Electric	Industrial land, buildings/ plants, equipment, and machinery	Jakosalem Street, Cebu City and J. Panis Street, Cebu City	In use for operations
	Substation equipment	San Roque, Talisay City, Cebu	Ongoing development
Lima Enerzone	Industrial land, buildings/plants, equipment, and machinery	Lipa City and Malvar, Batangas	In use for operations
Balamban Enerzone	Industrial land, buildings/plants, equipment, and machinery	Balamban, Cebu	In use for operations

Mortgage, Lien or Encumbrance Over the Properties

None of AboitizPower's Property, Plant, and Equipment are mortgaged for its long-term debts. For a detailed discussion on the properties of the Subsidiaries of the Company subject to any mortgage, you may refer to Note 17 of AboitizPower's audited consolidated financial statements as of December 31, 2024.

Lease Agreements

The Company and its Subsidiaries lease the following properties, as provided in Note 35 of AboitizPower's audited consolidated financial statements as of December 31, 2024:

AboitizPower	The Company entered into an operating lease agreement with Ayala Land Inc. for the use of administrative office space and parking space for a period of 16 years from August 1, 2024 to July 31, 2040. The lease contract has an escalation of 3% per annum.
TLI	TLI, having been appointed by PSALM as Administrator under the IPP

	Administration Agreement, has recognized the right-of-use asset and related liability of ₱44.79 billion (equivalent to the present value of the minimum lease payments using TLI's incremental borrowing rates of 10% and 12% for dollar and peso payments, respectively). In November 2023, TLI prepaid the full amount of the remaining lease payments amounting to ₱13.80 billion, resulting to a reduction in the right-of-use asset account amounting to ₱3.56 billion. In December 2024, TLI entered into a lease agreement with PSALM for parcels of land situated in Pagbilao. The lease will commence on the transfer date of the power plant for a period of 20 years. In 2024, TLI prepaid the lease amounting to ₱3 million.
APRI	On May 25, 2009, APRI entered into a lease agreement with PSALM for a parcel of land for a period of 25 years commencing from May 25, 2009. The rental fees for the whole term amounting to ₱492 million was paid in full after the receipt by APRI of the Certificate of Effectivity on the lease.
GMEC	In August 2007, GMEC entered into a 25-year lease agreement with Authority of the Freeport Area of Bataan for land at the Bataan Economic Zone to be used as an access road and right of way for electric power transmission lines. In January 2010, GMEC entered into a 50-year land lease agreement with PMR Group Retirement Plan, Inc., used for its power plant facilities. GMEC, upon mutual agreement of the lessor, has the right and option to extend the lease for 25 years. In August 2016, GMEC entered into another lease agreement with PMR Group Retirement Plan, Inc. for land to be used for staff house.
Hedcor, Hedcor Tudaya, HBI, Hedcor Sabangan, LHC and Hedcor Sibulan	Hedcor, Hedcor Tudaya, HBI, Hedcor Sabangan, LHC and Hedcor Sibulan entered into contracts with various lot owners for the lease of land where their power plants are located. The terms of the lease contracts are for a period of 1 to 50 years renewable upon mutual agreement of the parties.
SacaSun	SacaSun entered into a contract for the lease of land where the power plant is located. The term is 23 years renewable upon mutual agreement of the parties.
EAUC	EAUC has a 25-year lease agreement with PEZA for a piece of land located inside the Mactan Economic Zone for its power plant facilities.
TPVI	TPVI entered into a contract for the lease of land where the power plant is located. The term is 25 years renewable upon mutual agreement of the parties. In 2024, TPVI assigned to its affiliate the right to purchase the land and the sale was executed on October 9, 2024, resulting in the derecognition of the right-of-use asset with a carrying value of ₱447 million.
TMI	On April 26, 2022, TMI entered into a lease contract with the Philippine Fisheries Development Authority for 15 years. TMI also has a lease contract with Montgomery Real Estate Lessor for its administrative office for a period of 15 years.
SPI	SPI has a lease agreement covering its head office, which was renewed in May 2021 until June 2026, with escalation of 3% applicable annually starting on the second year of the term.
CEDI	CEDI entered into a Forest Landuse Agreement with the Philippine government for the exclusive right to occupy, manage and develop forest land for the

	construction of its project effective until December 31, 2043. The related lease obligation is payable annually subject to 10% annual escalation.
APREC	APREC executed a lease agreement with various lessors on land where its plant is located in Olongapo City, Zambales for a period of 25 to 99 years. The lease term may be renewed or extended upon the mutual agreement of the parties.
RERI	RERI executed a lease agreement with various lessors on land where its two power plants are located in Tarlac City for a period of 25 to 30 years. The lease term may be renewed or extended upon the mutual agreement of the parties.
ASPI	ASPI executed a lease agreement for 8 parcels of land located in Calatrava, Province of Negros Occidental for 27 years. The lease term is renewable at the option of ASPI, effective for another 5 years from renewal.

MATERIAL CONTRACTS

AboitizPower has the following material contracts.

<u>AboitizPower ₱3 Billion Fixed Rate Bonds due 2027</u>

On July 3, 2017, AboitizPower issued fixed rate bonds (the "**2017 Bonds**"), with a term of ten (10) years from the issue date and in the aggregate amount of ₱3,000,000,000.00. The 2017 Bonds had an optional redemption on the seventh (7^{th}) year, eighth (8^{th}), and ninth (9^{th}) year from the issue date. BPI Capital acted as the Sole Issue Manager and Sole Underwriter while Bank of the Philippine Islands – Asset Management Group was appointed as Trustee.

The 2017 Bonds constitute direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of AboitizPower and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by AboitizPower pursuant to Section 5.2 (a) of the trust agreement for the 2017 Bonds or as may be allowed therein, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of the relevant issue date.

Transfers of the 2017 Bonds shall be coursed through PDTC as Registrar. Transfer and/or settlement of the 2017 Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and Registrar.

AboitizPower is subject to the following negative covenants, among others:

1. Encumbrances - AboitizPower shall not permit any Indebtedness to be secured by or to benefit from any Lien, in favor of any creditor or class of creditors on, or in respect of, any present or future assets or revenues of the Issuer or the right of the Issuer to receive income; *Provided*, however that this shall not prohibit the following:

    a. any Lien over any asset to secure: (x) payment of the purchase price or cost of leasehold rights of such asset; or (y) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (z) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease, development, operation or maintenance of such asset;

    b. Liens or charges for current taxes, assessments, or other governmental charges which are not delinquent or remain payable, without any penalty, or the validity of which is contested in good faith by appropriate proceedings diligently pursued;

    c. any Lien to secure, in the normal course of the business of the Issuer or its affiliates: (x) statutory or regulatory obligations; or (y) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;

    d. any Lien to secure, in relation to a pending judicial, administrative, or arbitral proceeding, the Issuer or its affiliates' (x) surety or appeal bonds; or (y) bonds for release of attachment, stay of execution or injunction;

    e. any Lien constituted for the purpose of guaranteeing an affiliate's obligation in connection with any contract or agreement that has been assigned to such affiliate by the Issuer;

    f. any Lien constituted for the purpose of guaranteeing an obligation in connection with any contract or agreement of sale of any asset by the Issuer, provided that the Lien is removed or discharged within twelve (12) months of the date of the sale of the asset;

g. any Lien created over (x) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos ("**foreign currency**"); or (y) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purposes of raising an equivalent amount of Philippine Peso-denominated indebtedness;

h. any Lien on the properties and assets of the Issuer: (x) imposed by Applicable Law, such as carriers' Liens, warehousemen's Liens, mechanics' Liens, unpaid vendors' Liens, and other similar Liens arising in the ordinary course of business; (y) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits or similar legislation, or retirement benefit plans of the Issuer; or (z) arising out of the set-off provision on other agreements of the Issuer relating to Indebtedness;

i. any Lien in favor of banks, insurance companies, other financial institutions, and Philippine government agencies, departments, authorities, corporations of other juridical entities which secure a preferential financing obtained by the Issuer under a governmental program and the aggregate principal amount of such preferential financing does not exceed Thirty-Five percent (35%) of the Issuer's total assets;

j. any Lien over its cash deposits, short-term cash investments, and marketable investment securities in favor of banks and other financial institutions, which secure (i) any borrowed money in connection with a Treasury Transaction in the ordinary course of business of Issuer, provided that the aggregate amount of security does not at any time exceed United States Dollars: Forty Million (US$40,000,000.00) or its equivalent; and/or (ii) standby letters of credit to be used to guarantee additional equity infusions by the Issuer in its Subsidiaries or Affiliates and/or used in the ordinary course of business of Issuer, its Subsidiaries and/or Affiliates;

k. other Liens: (x) created solely by operation of law; and (y) on such other assets, whether constituted before or after the issue date, as may be disclosed in writing by the Issuer to the Trustee on or before the execution of the trust agreement; and

l. any Lien constituted over the investment of the Issuer in any of its affiliate, and whether such investment is in the form of shares, deposits or advances to guarantee or secure the obligations of the said affiliates;

   Provided that for purposes of "affiliate" as used in Section 5.2 (a) (iii), (iv), (v), and (xii) of the trust agreement, it shall refer to any Person in which the Issuer has investment, whether direct or indirect, in.

2. Declaration and Payment of Cash Dividends/Issuance of Share. AboitizPower shall not declare or pay any dividends to its stockholders (other than dividends payable solely in shares of its capital stock and cash dividends due on its then-outstanding preferred shares) or retain, retire, purchase or otherwise acquire any class of its capital stock, or make any other capital or other asset distribution to its stockholders, unless all payments due under the 2017 Bonds are current and updated; and

3. Maintenance of Financial Ratios. Under the 2017 Bonds, AboitizPower is not required to maintain any financial ratios. However, the Issuer shall not incur any loan obligation with a maturity of more than one (1) year, if on the transaction date, after giving effect to the incurrence of such loan obligation and any other such cumulative obligations, but not giving any effect to the receipt or application of proceeds therefrom, the Net Debt to Consolidated Equity Ratio, as at the last day of the Relevant Period immediately preceding the transaction date (and giving effect to the incurrence of such loan obligation and any other such cumulative obligations), will exceed 3:1.

<u>AboitizPower ₱10.2 Billion Fixed Rate Bonds due 2024 and 2028</u>

On October 12, 2018, AboitizPower issued fixed-rate bonds (the "**2018 Bonds**"), Series "B" and Series

"C" bonds, with an aggregate amount of ₱10 bn and an oversubscription option ₱5 bn of which ₱0.2 bn was exercised. The Series "B" bonds have an interest rate of 7.5095% p.a., and will mature in 2024, while the Series "C" bonds have an interest rate of 8.5091% p.a., and will mature in 2028. Interest is payable quarterly in arrear on January 25, April 25, July 25, and October 25 of each year, or the subsequent Banking Day without adjustment if such interest payment date is not a Banking Day. AboitizPower used a portion of the proceeds of the 2022 Third Tranche Bonds (as they are defined below) to fund the early redemption of the Series "B" 2018 Bonds.

AboitizPower appointed BDO Capital as Issue Manager, BDO Capital, BPI Capital, and United Coconut Planters Bank as joint lead underwriters, BDO Unibank, Inc. Trust & Investments Group as Trustee, and PDTC as the Registry and Paying Agent for the transaction. The Series "B" and Series "C" bonds received the highest possible rating of PRS "Aaa" from PhilRatings and is listed with PDEx.

The 2018 Bonds constitute direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of AboitizPower and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by AboitizPower pursuant to Section 5.2 (a) of the trust agreement for the 2018 Bonds or as may be allowed therein, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of the relevant issue date.

Transfers of the 2018 Bonds shall be coursed through PDTC as Registrar. Transfer and/or settlement of the 2018 Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and Registrar.

AboitizPower is subject to the following negative covenants, among others:

1. Encumbrances - AboitizPower shall not permit any Indebtedness to be secured by or to benefit from any Lien, in favor of any creditor or class of creditors on, or in respect of, any present or future assets or revenues of the Issuer or the right of the Issuer to receive income; *Provided*, however that this shall not prohibit the following:

    a. any Lien over any asset to secure: (x) payment of the purchase price or cost of leasehold rights of such asset; or (y) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (z) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset;

    b. Liens or charges for current taxes, assessments, or other governmental charges which are not delinquent or remain payable, without any penalty, or the validity of which is contested in good faith by appropriate proceedings, and adequate reserves have been provided for payment thereof;

    c. any Lien to secure, in the normal course of the business of the Issuer or its affiliates: (x) statutory or regulatory obligations; or (y) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;

    d. any Lien to secure, in relation to a pending judicial, administrative, or arbitral proceeding, the Issuer or its affiliates' (x) surety or appeal bonds; or (y) bonds for release of attachment, stay of execution or injunction;

    e. any Lien constituted for the purpose of guaranteeing an affiliate's obligation in connection with any contract or agreement that has been assigned to such affiliate by the Issuer;

    f. any Lien constituted for the purpose of guaranteeing an obligation in connection with any contract or agreement of sale of any asset by the Issuer, provided that the Lien is removed or discharged within twelve (12) months of the date of the sale of the asset;

g. any Lien created over (x) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos (foreign currency); or (y) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purposes of raising an equivalent amount of Philippine Peso-denominated indebtedness;

h. any Lien on the properties and assets of the Issuer: (x) imposed by Applicable Law, such as carriers' Liens, warehousemen's Liens, mechanics' Liens, unpaid vendors' Liens, and other similar Liens arising in the ordinary course of business; (y) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits or similar legislation, or retirement benefit plans of the Issuer; or (z) arising out of the set-off provision on other agreements of the Issuer relating to Indebtedness;

i. any Lien in favor of banks, insurance companies, other financial institutions, and Philippine government agencies, departments, authorities, corporations of other juridical entities which secure a preferential financing obtained by the Issuer under a governmental program and the aggregate principal amount of such preferential financing does not exceed Thirty-Five percent (35%) of the Issuer's total assets;

j. any Lien over its cash deposits, short-term cash investments, and marketable investment securities in favor of banks and other financial institutions, which secure (i) any borrowed money in connection with a Treasury Transaction in the ordinary course of business of Issuer, provided that the aggregate amount of security does not at any time exceed United States Dollars: Forty Million (US$40,000,000.00) or its equivalent; and/or (ii) standby letters of credit to be used to guarantee additional equity infusions by the Issuer in its Subsidiaries or Affiliates and/or used in the ordinary course of business of Issuer, its Subsidiaries and/or Affiliates;

k. other Liens: (x) created solely by operation of law; and (y) on such other assets, whether constituted before or after the issue date, as may be disclosed in writing by the Issuer to the Trustee on or before the execution of the trust agreement; and

l. any Lien constituted over the investment of the Issuer in any of its affiliate, and whether such investment is in the form of shares, deposits or advances to guarantee or secure the obligations of the said affiliates;

   Provided that for purposes of "affiliate" as used in Section 5.2 (a) (iii), (iv), (v), and (xii) of the trust agreement, it shall refer to any Person in which the Issuer has investment, whether direct or indirect, in.

2. Declaration and Payment of Cash Dividends/Issuance of Share. AboitizPower shall not declare or pay any dividends to its stockholders (other than dividends payable solely in shares of its capital stock and cash dividends due on its then-outstanding preferred shares) or retain, retire, purchase or otherwise acquire any class of its capital stock, or make any other capital or other asset distribution to its stockholders, unless all payments due under the 2018 Bonds are current and updated; and

3. Maintenance of Financial Ratios. Under the 2018 Bonds, AboitizPower is not required to maintain any financial ratios. However, the Issuer shall not incur any loan obligation with a maturity of more than one (1) year, if on the transaction date, after giving effect to the incurrence of such loan obligation and any other such cumulative obligations, but not giving any effect to the receipt or application of proceeds therefrom, the Net Debt to Consolidated Equity Ratio, as at the last day of the Relevant Period immediately preceding the transaction date (and giving effect to the incurrence of such loan obligation and any other such cumulative obligations), will exceed 3:1.

<u>AboitizPower ₱7.25 Billion Fixed Rate Bonds due 2026</u>

On October 14, 2019, AboitizPower issued fixed-rate bonds (the "**2019 Bonds**"), Series "D" bonds, with a principal amount of ₱7 bn and an oversubscription option ₱5 bn, of which ₱250 mn was exercised. The Series "D" bonds have an interest rate of 5.2757% p.a., and will mature in 2026. Interest is payable quarterly in arrear on January 14, April 14, July 14, and October 14 of each year, or the subsequent business day without adjustment if such interest payment date is not a business day.

AboitizPower appointed BDO Capital and First Metro Investment Corporation as Joint Issue Managers; BDO Capital, First Metro Investment Corporation, China Bank Capital Corporation, PNB Capital and Investment Corporation, and Security Bank Capital Investment Corporation as Joint Lead Underwriters; BDO Unibank, Inc. - Trust & Investments Group as Trustee, and PDTC as the Registry and Paying Agent for the transaction. The Series "D" bonds received the highest possible rating of PRS "Aaa" from PhilRatings and is listed with PDEx.

The 2019 Bonds constitute direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of AboitizPower and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by AboitizPower pursuant to Section 5.2 (a) of the trust agreement for the 2019 Bonds or as may be allowed therein, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of the relevant issue date.

Transfers of the 2019 Bonds shall be coursed through PDTC as Registrar. Transfer and/or settlement of the 2019 Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and Registrar.

AboitizPower is subject to the following negative covenants, among others:

1. Encumbrances - AboitizPower shall not permit any Indebtedness to be secured by or to benefit from any Lien, in favor of any creditor or class of creditors on, or in respect of, any present or future assets or revenues of the Issuer or the right of the Issuer to receive income; *Provided*, however that this shall not prohibit the following:

    a. any Lien over any asset to secure: (x) payment of the purchase price or cost of leasehold rights of such asset; or (y) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (z) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset;

    b. Liens or charges for current taxes, assessments, or other governmental charges which are not delinquent or remain payable, without any penalty, or the validity of which is contested in good faith by appropriate proceedings, and adequate reserves have been provided for payment thereof;

    c. any Lien to secure, in the normal course of the business of the Issuer or its affiliates: (x) statutory or regulatory obligations; or (y) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;

    d. any Lien to secure, in relation to a pending judicial, administrative, or arbitral proceeding, the Issuer or its affiliates' (x) surety or appeal bonds; or (y) bonds for release of attachment, stay of execution or injunction;

    e. any Lien constituted for the purpose of guaranteeing an affiliate's obligation in connection with any contract or agreement that has been assigned to such affiliate by the Issuer;

    f. any Lien constituted for the purpose of guaranteeing an obligation in connection with any contract or agreement of sale of any asset by the Issuer, provided that the Lien is removed or discharged within twelve (12) months of the date of the sale of the asset;

g. any Lien created over (x) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos (foreign currency); or (y) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purposes of raising an equivalent amount of Philippine Peso-denominated indebtedness;

h. any Lien on the properties and assets of the Issuer: (x) imposed by Applicable Law, such as carriers' Liens, warehousemen's Liens, mechanics' Liens, unpaid vendors' Liens, and other similar Liens arising in the ordinary course of business; (y) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits or similar legislation, or retirement benefit plans of the Issuer; or (z) arising out of the set-off provision on other agreements of the Issuer relating to Indebtedness;

i. any Lien in favor of banks, insurance companies, other financial institutions, and Philippine government agencies, departments, authorities, corporations of other juridical entities which secure a preferential financing obtained by the Issuer under a governmental program and the aggregate principal amount of such preferential financing does not exceed Thirty-Five percent (35%) of the Issuer's total assets;

j. any Lien over its cash deposits, short-term cash investments, and marketable investment securities in favor of banks and other financial institutions, which secure (i) any borrowed money in connection with a Treasury Transaction in the ordinary course of business of Issuer, provided that the aggregate amount of security does not at any time exceed United States Dollars: Forty Million (US$40,000,000.00) or its equivalent; and/or (ii) standby letters of credit to be used to guarantee additional equity infusions by the Issuer in its Subsidiaries or Affiliates and/or used in the ordinary course of business of Issuer, its Subsidiaries and/or Affiliates;

k. other Liens: (x) created solely by operation of law; and (y) on such other assets, whether constituted before or after the issue date, as may be disclosed in writing by the Issuer to the Trustee on or before the execution of the trust agreement; and

l. any Lien constituted over the investment of the Issuer in any of its affiliate, and whether such investment is in the form of shares, deposits or advances to guarantee or secure the obligations of the said affiliates;

   Provided that for purposes of "affiliate" as used in Section 5.2 (a) (iii), (iv), (v), and (xii) of the trust agreement, it shall refer to any Person in which the Issuer has investment, whether direct or indirect, in.

2. Declaration and Payment of Cash Dividends/Issuance of Share. AboitizPower shall not declare or pay any dividends to its stockholders (other than dividends payable solely in shares of its capital stock and cash dividends due on its then-outstanding preferred shares) or retain, retire, purchase or otherwise acquire any class of its capital stock, or make any other capital or other asset distribution to its stockholders, unless all payments due under the 2019 Bonds are current and updated; and

3. Maintenance of Financial Ratios. Under the 2019 Bonds, AboitizPower is not required to maintain any financial ratios. However, the Issuer shall not incur any loan obligation with a maturity of more than one (1) year, if on the transaction date, after giving effect to the incurrence of such loan obligation and any other such cumulative obligations, but not giving any effect to the receipt or application of proceeds therefrom, the Net Debt to Consolidated Equity Ratio, as at the last day of the Relevant Period immediately preceding the transaction date (and giving effect to the incurrence of such loan obligation and any other such cumulative obligations), will exceed 3:1.

AboitizPower ₱9.55 Billion Fixed Rate Bonds due 2022 and 2025

On June 19, 2020, AboitizPower issued fixed-rate bonds (the "**2020 Bonds**"), Series "E" and Series "F" bonds, with an aggregate amount of ₱6 bn and an oversubscription option ₱3.55 bn which was fully exercised. The Series "E" bonds have an interest rate of 3.125% p.a., and will mature in 2022, while the Series "F" bonds have an interest rate of 3.935% p.a., and will mature in 2025. Interest is payable quarterly in arrear on January 6, April 6, July 6, and October 6 of each year, or the subsequent business day without adjustment if such interest payment date is not a business day.

AboitizPower appointed BDO Capital & Investment Corporation, China Bank Capital Corporation, and First Metro Investment Corporation as the Joint Issue Managers and Joint Lead Underwriters, BDO Unibank, Inc. - Trust & Investments Group as Trustee, and PDTC as the Registry and Paying Agent for the transaction. The Series "E" and Series "F" bonds received the highest possible rating of PRS "Aaa" from PhilRatings and are listed with PDEx.

The 2020 Bonds constitute the direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of AboitizPower and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by AboitizPower pursuant to Section 4.1 (k) of the trust agreement for the 2020 Bonds or as may be allowed therein, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of the relevant issue date.

Transfers of the 2020 Bonds shall be coursed through PDTC as Registrar. Transfer and/or settlement of the 2020 Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and Registrar.

AboitizPower is subject to the following negative covenants, among others:

1. Encumbrances - AboitizPower shall not permit any Indebtedness to be secured by or to benefit from any Lien, in favor of any creditor or class of creditors on, or in respect of, any present or future assets or revenues of the Issuer or the right of the Issuer to receive income; *Provided*, however that this shall not prohibit the following:

    a. any Lien over any asset to secure: (x) payment of the purchase price or cost of leasehold rights of such asset; or (y) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (z) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset;

    b. Liens or charges for current taxes, assessments, or other governmental charges which are not delinquent or remain payable, without any penalty, or the validity of which is contested in good faith by appropriate proceedings, and adequate reserves have been provided for payment thereof;

    c. any Lien to secure, in the normal course of the business of the Issuer or its affiliates: (x) statutory or regulatory obligations; or (y) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;

    d. any Lien to secure, in relation to a pending judicial, administrative, or arbitral proceeding, the Issuer or its affiliates' (x) surety or appeal bonds; or (y) bonds for release of attachment, stay of execution or injunction;

    e. any Lien constituted for the purpose of guaranteeing an affiliate's obligation in connection with any contract or agreement that has been assigned to such affiliate by the Issuer;

f. any Lien constituted for the purpose of guaranteeing an obligation in connection with any contract or agreement of sale of any asset by the Issuer, provided that the Lien is removed or discharged within twelve (12) months of the date of the sale of the asset;

g. any Lien created over (x) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos (foreign currency); or (y) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purposes of raising an equivalent amount of Philippine Peso-denominated indebtedness;

h. any Lien on the properties and assets of the Issuer: (x) imposed by Applicable Law, such as carriers' Liens, warehousemen's Liens, mechanics' Liens, unpaid vendors' Liens, and other similar Liens arising in the ordinary course of business; (y) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits or similar legislation, or retirement benefit plans of the Issuer; or (z) arising out of the set-off provision on other agreements of the Issuer relating to Indebtedness;

i. any Lien in favor of banks, insurance companies, other financial institutions, and Philippine government agencies, departments, authorities, corporations of other juridical entities which secure a preferential financing obtained by the Issuer under a governmental program and the aggregate principal amount of such preferential financing does not exceed Thirty-Five percent (35%) of the Issuer's total assets;

j. any Lien over its cash deposits, short-term cash investments, and marketable investment securities in favor of banks and other financial institutions, which secure (i) any borrowed money in connection with a Treasury Transaction in the ordinary course of business of Issuer, provided that the aggregate amount of security does not at any time exceed United States Dollars: Forty Million (US$40,000,000.00) or its equivalent; and/or (ii) standby letters of credit to be used to guarantee additional equity infusions by the Issuer in its Subsidiaries or Affiliates and/or used in the ordinary course of business of Issuer, its Subsidiaries and/or Affiliates;

k. other Liens: (x) created solely by operation of law; and (y) on such other assets, whether constituted before or after the Issue Date, as may be disclosed in writing by the Issuer to the Trustee on or before the execution of the trust agreement; and

l. any Lien constituted over the investment of the Issuer in any of its affiliate, and whether such investment is in the form of shares, deposits or advances to guarantee or secure the obligations of the said affiliates;
Provided that for purposes of "affiliate" as used in Section 5.2 (a) (iii), (iv), (v), and (xii) of the trust agreement, it shall refer to any Person in which AboitizPower has an investment, whether direct or indirect, in.

2. Declaration and Payment of Cash Dividends/Issuance of Share. AboitizPower shall not declare or pay any dividends to its stockholders (other than dividends payable solely in shares of its capital stock and cash dividends due on its then-outstanding preferred shares) or retain, retire, purchase or otherwise acquire any class of its capital stock, or make any other capital or other asset distribution to its stockholders, unless all payments due under the 2020 Bonds are current and updated; and

3. Maintenance of Financial Ratios. Under the 2020 Bonds, AboitizPower is not required to maintain any financial ratios. However, the Issuer shall not incur any loan obligation with a maturity of more than one (1) year, if on the transaction date, after giving effect to the incurrence of such loan obligation and any other such cumulative obligations, but not giving any effect to the receipt or application of proceeds therefrom, the Net Debt to Consolidated Equity Ratio, as at the last day of the Relevant Period immediately preceding the transaction date (and giving effect to the incurrence of such loan obligation and any other such cumulative obligations), will exceed 3:1.

AboitizPower ₱8 Billion Fixed Rate Bonds due 2026

On March 16, 2021, AboitizPower issued fixed-rate bonds (the "**2021 First Tranche Bonds**"), with an aggregate amount of ₱4 bn and an oversubscription option ₱4 bn which was fully exercised. The 2021 First Tranche Bonds have an interest rate of 3.8224% p.a.and are maturing on March 16, 2026. Interest shall be paid quarterly in arrear on March 16, June 16, September 16, and December 16 of each year, commencing on June 16, 2021, until and including the maturity date. The 2021 First Tranche Bonds were issued in scripless form in minimum denominations of ₱50,000 each, and in multiples of ₱10,000 thereafter. The 2021 First Tranche Bonds earlier received the highest possible rating of "PRS Aaa" from the Philippine Rating Services Corporation and AboitizPower intends to list them with PDEx.

AboitizPower appointed BDO Capital & Investment Corporation, BPI Capital Corporation, China Bank Capital Corporation and First Metro Investment Corporation as Joint Issue Managers, Joint Lead Underwriters, and Joint Bookrunners; and BDO - Unibank, Inc. – Trust and Investments Group as the Trustee. PDTC is the registrar and paying agent of the 2021 First Tranche Bonds.

The 2021 First Tranche Bonds constitute the direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of AboitizPower and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by AboitizPower pursuant to Section 4.1 (k) of the trust agreement for the 2021 First Tranche Bonds or as may be allowed therein, and (iii) other indebtedness or obligations disclosed by the Issuer to the trustee as of the relevant issue date.

Transfers of the 2021 First Tranche Bonds shall be coursed through PDTC as Registrar. Transfer and/or settlement of the 2021 First Tranche Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and registrar.

AboitizPower is subject to the following negative covenants, among others:

1. Encumbrances - AboitizPower shall not permit any indebtedness to be secured by or to benefit from any lien, in favor of any creditor or class of creditors on, or in respect of, any present or future assets or revenues of the Issuer or the right of the Issuer to receive income; *Provided*, however that this shall not prohibit the following:
    a. any lien over any asset to secure: (x) payment of the purchase price or cost of leasehold rights of such asset; or (y) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (z) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset;
    b. liens or charges for current taxes, assessments, or other governmental charges which are not delinquent or remain payable, without any penalty, or the validity of which is contested in good faith by appropriate proceedings, and adequate reserves have been provided for payment thereof;
    c. any lien to secure, in the normal course of the business of the Issuer or its affiliates: (x) statutory or regulatory obligations; or (y) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;
    d. any lien to secure, in relation to a pending judicial, administrative, or arbitral proceeding, the Issuer or its affiliates' (x) surety or appeal bonds; or (y) bonds for release of attachment, stay of execution or injunction;
    e. any lien constituted for the purpose of guaranteeing an affiliate's obligation in connection with any contract or agreement that has been assigned to such affiliate by the Issuer;

f. any lien constituted for the purpose of guaranteeing an obligation in connection with any contract or agreement of sale of any asset by the Issuer, provided that the lien is removed or discharged within twelve (12) months of the date of the sale of the asset;

g. any lien created over (x) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos (foreign currency); or (y) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purposes of raising an equivalent amount of Philippine Peso-denominated indebtedness;

h. any lien on the properties and assets of the Issuer: (x) imposed by Applicable Law, such as carriers' liens, warehousemen's liens, mechanics' liens, unpaid vendors' liens, and other similar liens arising in the ordinary course of business; (y) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits or similar legislation, or retirement benefit plans of the Issuer; or (z) arising out of the set-off provision on other agreements of the Issuer relating to indebtedness;

i. any lien in favor of banks, insurance companies, other financial institutions, and Philippine government agencies, departments, authorities, corporations of other juridical entities which secure a preferential financing obtained by the Issuer under a governmental program and the aggregate principal amount of such preferential financing does not exceed thirty-five percent (35%) of the Issuer's total assets;

j. any lien over its cash deposits, short-term cash investments, and marketable investment securities in favor of banks and other financial institutions, which secure (i) any borrowed money in connection with a treasury transaction in the ordinary course of business of Issuer, provided that the aggregate amount of security does not at any time exceed United States Dollars: Forty Million (US$40,000,000.00) or its equivalent; and/or (ii) standby letters of credit to be used to guarantee additional equity infusions by the Issuer in its subsidiaries or affiliates and/or used in the ordinary course of business of Issuer, its subsidiaries and/or affiliates;

k. other liens: (x) created solely by operation of law; and (y) on such other assets, whether constituted before or after the issue date, as may be disclosed in writing by the Issuer to the trustee on or before the execution of the trust agreement; and

l. any lien constituted over the investment of the Issuer in any of its affiliate, and whether such investment is in the form of shares, deposits or advances to guarantee or secure the obligations of the said affiliates;

Provided that for purposes of "affiliate" as used in Section 5.2 (a) (iii), (iv), (v), and (xii) of the trust agreement, it shall refer to any person in which AboitizPower has an investment, whether direct or indirect, in.

2. Declaration and Payment of Cash Dividends/Issuance of Share. AboitizPower shall not declare or pay any dividends to its stockholders (other than dividends payable solely in shares of its capital stock and cash dividends due on its then-outstanding preferred shares) or retain, retire, purchase or otherwise acquire any class of its capital stock, or make any other capital or other asset distribution to its stockholders, unless all payments due under the 2021 First Tranche Bonds are current and updated; and

3. Maintenance of Financial Ratios. Under the 2021 First Tranche Bonds, AboitizPower is not required to maintain any financial ratios. However, the Issuer shall not incur any loan obligation with a maturity of more than one (1) year, if on the transaction date, after giving effect to the incurrence of such loan obligation and any other such cumulative obligations, but not giving any effect to the receipt or application of proceeds therefrom, the net debt to consolidated equity ratio, as at the last day of the relevant period immediately preceding the transaction date (and

giving effect to the incurrence of such loan obligation and any other such cumulative obligations), will exceed 3:1.

AboitizPower ₱12 Billion Fixed Rate Bonds due 2025 and 2028

On December 2, 2021, AboitizPower issued fixed-rate bonds (the "**2021 Second Tranche Bonds**"), with an aggregate amount of ₱6 bn and an oversubscription option ₱6 bn which was fully exercised. The 2021 Second Tranche Bonds is composed of series B bonds with an interest rate of 3.9992% p.a. and are maturing on December 2, 2025 and series C bonds with an interest rate of 5.0283% p.a. and are maturing on December 2, 2028. Interest shall be paid quarterly in arrear on March 2, June 2, September 2, and December 2 of each year, commencing on March 2, 2022, until and including the maturity date. The 2021 Second Tranche Bonds were issued in scripless form in minimum denominations of ₱50,000 each, and in multiples of ₱10,000 thereafter. The 2021 Second Tranche Bonds earlier received the highest possible rating of "PRS Aaa" from the Philippine Rating Services Corporation and AboitizPower intends to list them with PDEx.

AboitizPower appointed BDO Capital & Investment Corporation, China Bank Capital Corporation, First Metro Investment Corporation, and Security Bank Capital Investment Corporation Joint Issue Managers, Joint Lead Underwriters, and Joint Bookrunners; and BDO - Unibank, Inc. – Trust and Investments Group as the trustee. PDTC is the registrar and paying agent of the 2021 Second Tranche Bonds.

The 2021 Second Tranche Bonds constitute the direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of AboitizPower and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by AboitizPower pursuant to Section 5.2 (a) of the trust agreement for the 2021 Second Tranche Bonds or as may be allowed therein, and (iii) other indebtedness or obligations disclosed by the Issuer to the trustee as of the relevant issue date.

Transfers of the 2021 Second Tranche Bonds shall be coursed through PDTC as registrar. Transfer and/or settlement of the 2021 Second Tranche Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and registrar.

AboitizPower is subject to the following negative covenants, among others:

1. Encumbrances - AboitizPower shall not permit any indebtedness to be secured by or to benefit from any lien, in favor of any creditor or class of creditors on, or in respect of, any present or future assets or revenues of the Issuer or the right of the Issuer to receive income; *Provided*, however that this shall not prohibit the following:
    a. any lien over any asset to secure: (x) payment of the purchase price or cost of leasehold rights of such asset; or (y) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (z) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset;

    b. liens or charges for current taxes, assessments, or other governmental charges which are not delinquent or remain payable, without any penalty, or the validity of which is contested in good faith by appropriate proceedings, and adequate reserves have been provided for payment thereof;

    c. any lien to secure, in the normal course of the business of the Issuer or its affiliates: (x) statutory or regulatory obligations; or (y) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;

d. any lien to secure, in relation to a pending judicial, administrative, or arbitral proceeding, the Issuer or its affiliates' (x) surety or appeal bonds; or (y) bonds for release of attachment, stay of execution or injunction

e. any lien constituted for the purpose of guaranteeing an affiliate's obligation in connection with any contract or agreement that has been assigned to such affiliate by the Issuer;

f. any lien constituted for the purpose of guaranteeing an obligation in connection with any contract or agreement of sale of any asset by the Issuer, provided that the Lien is removed or discharged within twelve (12) months of the date of the sale of the asset;

g. any lien created over (x) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos (foreign currency); or (y) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purposes of raising an equivalent amount of indebtedness in any currency;

h. any lien on the properties and assets of the Issuer: (x) imposed by Applicable Law, such as carriers' liens, warehousemen's liens, mechanics' liens, unpaid vendors' liens, and other similar liens arising in the ordinary course of business; (y) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits or similar legislation, or retirement benefit plans of the Issuer; or (z) arising out of the set-off provision on other agreements of the Issuer relating to indebtedness;

i. any lien in favor of banks, insurance companies, other financial institutions, and Philippine government agencies, departments, authorities, corporations of other juridical entities which secure a preferential financing obtained by the Issuer under a governmental program and the aggregate principal amount of such preferential financing does not exceed thirty-five percent (35%) of the Issuer's total assets;

j. any lien over its cash deposits, short-term cash investments, and marketable investment securities in favor of banks and other financial institutions, which secure (i) any borrowed money in connection with a treasury transaction in the ordinary course of business of Issuer, provided that the aggregate amount of security does not at any time exceed United States Dollars: Forty Million (US$40,000,000.00) or its equivalent; and/or (ii) standby letters of credit to be used to guarantee additional equity infusions by the Issuer in its subsidiaries or affiliates and/or used in the ordinary course of business of Issuer, its subsidiaries and/or affiliates;

k. other liens: (x) created solely by operation of law; and (y) on such other assets, whether constituted before or after the relevant issue date, as may be disclosed in writing by the Issuer to the trustee on or before the execution of the trust agreement; and

l. any lien constituted over the investment of the Issuer in any of its affiliate, and whether such investment is in the form of shares, deposits or advances to guarantee or secure the obligations of the said affiliates;

Provided that for purposes of "affiliate" as used in Section 5.2 (a) (iii), (iv), (v), and (xii) of the trust agreement, it shall refer to any Person in which AboitizPower has an investment, whether direct or indirect, in.

2. Declaration and Payment of Cash Dividends/Issuance of Share. AboitizPower shall not declare or pay any dividends to its stockholders (other than dividends payable solely in shares of its capital stock and cash dividends due on its then-outstanding preferred shares) or retain, retire, purchase or otherwise acquire any class of its capital stock, or make any other capital or other asset distribution to its stockholders, unless all payments due under the 2021 Second Tranche Bonds are current and updated; and

3. Maintenance of Financial Ratios. Under the 2021 Second Tranche Bonds, AboitizPower is not required to maintain any financial ratios. However, the Issuer shall not incur any loan obligation with a maturity of more than one (1) year, if on the transaction date, after giving effect to the incurrence of such loan obligation and any other such cumulative obligations, but not giving any effect to the receipt or application of proceeds therefrom, the net debt to consolidated equity ratio, in respect of the relevant period immediately preceding the transaction date, will exceed 3:1.

<u>AboitizPower ₱10 Billion Fixed Rate Bonds due 2027 and 2029</u>

On March 17, 2022, AboitizPower issued fixed-rate bonds (the "**the 2022 Third Tranche Bonds**") with an aggregate amount of ₱7 bn and an oversubscription option ₱3 bn which was fully exercised. The 2022 Third Tranche Bonds is composed of series D bonds with an interest rate of 5.3066% p.a. and are maturing on 2027 and series E bonds with an interest rate of 5.7388% p.a. and are maturing in 2029. Interest is payable in arrears on March 17, June 17, September 17, and December 17 of each year, or the subsequent business day without adjustment if such interest payment date is not a business day. The 2022 Third Tranche Bonds were issued in scripless form in minimum denominations of ₱50,000 each, and in multiples of ₱10,000 thereafter. The 2022 Third Tranche Bonds earlier received the highest possible rating of "PRS Aaa" from the Philippine Rating Services Corporation and AboitizPower intends to list them with PDEx.

AboitizPower appointed BDO Capital & Investment Corporation, China Bank Capital Corporation, First Metro Investment Corporation, and Security Bank Capital Investment Corporation as Joint Issue Managers, Joint Lead Underwriters, and Joint Bookrunners; and BDO - Unibank, Inc. – Trust and Investments Group as the trustee. PDTC is the registrar and paying agent of the 2021 Second Tranche Bonds.

The 2022 Third Tranche Bonds constitute the direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of AboitizPower and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by AboitizPower pursuant to Section 5.2 (a) of the trust agreement for the 2022 Third Tranche Bonds or as may be allowed therein, and (iii) other indebtedness or obligations disclosed by the Issuer to the trustee as of the relevant issue date.

Transfers of the 2022 Third Tranche Bonds shall be coursed through PDTC as registrar. Transfer and/or settlement of the 2022 Third Tranche Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and registrar.

AboitizPower is subject to the following negative covenants, among others:

1. Encumbrances - AboitizPower shall not permit any indebtedness to be secured by or to benefit from any lien, in favor of any creditor or class of creditors on, or in respect of, any present or future assets or revenues of the Issuer or the right of the Issuer to receive income; *Provided*, however that this shall not prohibit the following:

   (a) any lien over any asset to secure: (x) payment of the purchase price or cost of leasehold rights of such asset; or (y) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (z) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset;

   (b) liens or charges for current taxes, assessments, or other governmental charges which are not delinquent or remain payable, without any penalty, or the validity of which is contested in good faith by appropriate proceedings, and adequate reserves have been provided for payment thereof;

(c) any lien to secure, in the normal course of the business of the Issuer or its affiliates: (x) statutory or regulatory obligations; or (y) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;

(d) any lien to secure, in relation to a pending judicial, administrative, or arbitral proceeding, the Issuer or its affiliates' (x) surety or appeal bonds; or (y) bonds for release of attachment, stay of execution or injunction

(e) any lien constituted for the purpose of guaranteeing an affiliate's obligation in connection with any contract or agreement that has been assigned to such affiliate by the Issuer;

(f) any lien constituted for the purpose of guaranteeing an obligation in connection with any contract or agreement of sale of any asset by the Issuer, provided that the Lien is removed or discharged within twelve (12) months of the date of the sale of the asset;

(g) any lien created over (x) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos (foreign currency); or (y) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purposes of raising an equivalent amount of indebtedness in any currency;

(h) any lien on the properties and assets of the Issuer: (x) imposed by Applicable Law, such as carriers' liens, warehousemen's liens, mechanics' liens, unpaid vendors' liens, and other similar liens arising in the ordinary course of business; (y) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits or similar legislation, or retirement benefit plans of the Issuer; or (z) arising out of the set-off provision on other agreements of the Issuer relating to indebtedness;

(i) any lien in favor of banks, insurance companies, other financial institutions, and Philippine government agencies, departments, authorities, corporations of other juridical entities which secure a preferential financing obtained by the Issuer under a governmental program and the aggregate principal amount of such preferential financing does not exceed thirty-five percent (35%) of the Issuer's total assets;

(j) any lien over its cash deposits, short-term cash investments, and marketable investment securities in favor of banks and other financial institutions, which secure (i) any borrowed money in connection with a treasury transaction in the ordinary course of business of Issuer, provided that the aggregate amount of security does not at any time exceed United States Dollars: Forty Million (US$40,000,000.00) or its equivalent; and/or (ii) standby letters of credit to be used to guarantee additional equity infusions by the Issuer in its subsidiaries or affiliates and/or used in the ordinary course of business of Issuer, its subsidiaries and/or affiliates;

(k) other liens: (x) created solely by operation of law; and (y) on such other assets, whether constituted before or after the relevant issue date, as may be disclosed in writing by the Issuer to the trustee on or before the execution of the trust agreement; and

(l) any lien constituted over the investment of the Issuer in any of its affiliate, and whether such investment is in the form of shares, deposits or advances to guarantee or secure the obligations of the said affiliates;

Provided that for purposes of "affiliate" as used in Section 5.2 (a) (iii), (iv), (v), and (xii) of the trust agreement, it shall refer to any Person in which AboitizPower has an investment, whether direct or indirect, in.

2. Declaration and Payment of Cash Dividends/Issuance of Share. AboitizPower shall not declare or pay any dividends to its stockholders (other than dividends payable solely in shares of its capital stock and cash dividends due on its then-outstanding preferred shares) or retain, retire, purchase or otherwise acquire any class of its capital stock, or make any other capital or other asset distribution to its stockholders, unless all payments due under the 2022 Third Tranche Bonds are current and updated; and

3. Maintenance of Financial Ratios. Under the 2022 Third Tranche Bonds, AboitizPower is not required to maintain any financial ratios. However, the Issuer shall not incur any loan obligation with a maturity of more than one (1) year, if on the transaction date, after giving effect to the incurrence of such loan obligation and any other such cumulative obligations, but not giving any effect to the receipt or application of proceeds therefrom, the net debt to consolidated equity ratio, in respect of the relevant period immediately preceding the transaction date, will exceed 3:1.

ESTIMATE OF AMOUNT SPENT FOR RESEARCH AND DEVELOPMENT ACTIVITIES

AboitizPower and its Subsidiaries do not allocate specific amounts or fixed percentages for research and development. All research and developmental activities are done by AboitizPower's Subsidiaries and Affiliates on a per project basis. The allocation for such activities varies according to the nature of the project.

CERTAIN LEGAL PROCEEDINGS

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

Visayan Electric, for example, received several assessments of real property taxes on its electric posts, transformers, wires, machineries, air-conditioning units, and water pumps. Visayan Electric consistently maintains that the electric posts, transformers, wires, machineries, air-conditioning units, water pumps and their appurtenances are not considered real properties under the Civil Code of the Philippines, and therefore are not lawful objects of real property tax. Further, Section 270 of the Local Government Code of 1991 (LGC) provides that the collection of real property tax is mandatory within five (5) years from the date they become due, and that failure to collect the real property tax within the said period will bar collection thereof.

Visayan Electric has availed of Cebu City's tax amnesty ordinance in settlement of its real property tax assessment case amounting to ₱183mn covering the period from 1989 to 2019 pending before the Cebu City Assessor's Office. Visayan Electric was issued a tax certificate on January 5, 2021, clearing the company of any and all real property tax liabilities for all its electric poles and their attachments located in Cebu City.

The other material pending legal proceedings involving the Company and its Subsidiaries are as follows:

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

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

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

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

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

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

On February 2, 2022,[16] LHC filed its Petition for Review on Certiorari with the Supreme Court. As of May 15, 2025, the Petition remains pending before the Supreme Court.

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

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

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

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

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

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

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

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

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

SC G.R. No. 224341 entitled "Philippine Electricity Market Corporation vs. Therma Mobile, Inc.", Supreme Court;

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

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

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

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

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

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

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

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

As of May 15, 2025, PEMC's Petition was still pending before the SC.

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

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

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

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

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

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

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

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

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

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

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

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

On September 18, 2017, TMO filed a Petition for Certiorari with the CA, praying that the CA: (i) issue a TRO commanding the ERC to desist from conducting further proceedings in ERC Case No. 2015-02 5MC and ERC Case No. 2015-027 MC; (ii) after proceedings, issue a Writ of Preliminary Injunction; and (iii) annul and set aside the February 2, 2017 and June 20, 2017 ERC Orders.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In a Resolution dated January 28, 2019, as stated above, the CA denied the Motions for Reconsideration filed by APRI, Meralco, and TMO and the Motion for Partial Reconsideration filed by the ERC.

As also mentioned above, the ERC then appealed to the SC, which led the SC to issue the Resolution dated September 29, 2021.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As of May 15, 2025, ERC's and Meralco's petitions were pending resolution by the SC.

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

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

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

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

As of May 15, 2025, the ERC has yet to render its decision on the Joint Motion to Dismiss.

MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

AboitizPower's common shares are traded on the PSE.

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

	2024		2023		2022	
	High	Low	High	Low	High	Low
First Quarter	₱39.30	₱35.00	₱39.80	₱33.90	₱36.70	₱29.30
Second Quarter	37.30	33.80	38.45	36.50	37.00	28.50
Third Quarter	38.50	32.40	37.30	30.00	32.85	29.45
Fourth Quarter	39.75	36.50	38.00	34.35	35.60	30.30

The closing price of AboitizPower common shares as of June 2, 2025 is ₱35.5 per share.

HOLDERS

As of May 15, 2025, AboitizPower had **587** stockholders of record, including PCD Nominee Corporation (Filipino) and PCD Nominee Corporation (Foreign). Common shares outsta0nding as of the same date were 7,205,854,307 shares.

The top 20 stockholders of AboitizPower as of May 15, 2025 were as follows:

Name	Number of Shares	Percentage
1) Aboitiz Equity Ventures Inc.	3,825,794,642	51.99%
2) JERA Asia Private Limited	1,986,823,063	27.00%
3) PCD Nominee Corporation (Filipino)	1,020,601,499	13.87%
4) Aboitiz Power Corporation	152,750,000	2.08%
5) PCD Nominee Corporation (Foreign)	73,986,201	1.01%
6) Bauhinia Management Inc.	20,948,380	0.28%
7) FMK Capital Partners, Inc.	14,009,949	0.19%
8) Dominus Capital Inc.	14,009,949	0.19%
9) Portola Investors, Inc.	13,729,237	0.19%
10) Hawk View Capital, Inc.	13,711,967	0.19%
11) Ixidor Holdings, Inc.	8,203,632	0.11%
12) Danel C. Aboitiz	8,000,000	0.11%
13) San Fernando Electric Light and Power Co. Inc.	7,931,034	0.11%
14) Parraz Development Corporation	7,827,522	0.11%
15) Arrayanes Corporation	6,936,943	0.09%
16) Sabin M. Aboitiz	5,667,406	0.08%
17) Iker M. Aboitiz	5,465,100	0.07%
18) Ramon Aboitiz Foundation Inc.	3,900,000	0.05%
19) Salt Grass Management Inc.	3,411,295	0.05%
20) Abocosa Management Inc.	3,411,295	0.05%
SUBTOTAL	**7,197,119,114**	**97.81%**

Name	Number of Shares	Percentage
Other Stockholders	**161,485,193**	**2.19%**
TOTAL ISSUED SHARES	**7,358,604,307**	**100.00%**

DIVIDENDS

Since 2013, the Company's dividend policy has been to declare an annual cash dividend payment ratio of 50% of its consolidated net income from the previous fiscal year based on the audited financial statements of the Company, in all cases subject to the approval of the Company's Board of Directors. The policy changed the previous cash dividend payment ratio of 33% of previous year's net profits.

The cash dividends declared by AboitizPower to common stockholders from 2023 to the first quarter of 2025 are shown in the table below:

Year	Cash Dividend Per Share	Total Declared	Declaration Date	Record Date	Payment Date
2025 (regular)	₱2.35	₱16.94 bn	3/6/2025	3/21/2025	3/28/2025
2024 (regular)	₱2.30	₱16.57 bn	3/5/2024	3/19/2024	3/26/2024
2023 (regular)	₱1.87	₱13.76 bn	3/3/2023	3/17/2023	3/30/2023

There are no restrictions that limit the payment of dividends on common shares to stockholders of record as of May 15, 2025.

RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES INCLUDING RECENT ISSUANCES OF SECURITIES CONSTITUTING AN EXEMPT TRANSACTION

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

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

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

Top Five Key Performance Indicators

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

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

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

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

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

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

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

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

Year Ended December 31, 2024 versus Year Ended December 31, 2023

The table below shows the comparative figures of the key performance indicators for the ended December 31, 2024 and December 31, 2023:

Key Performance Indicators	December 31, 2024 Audited	December 31, 2023 Audited
Amounts in thousands of ₱s, except for financial ratios		
SHARE IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	15,693,423	19,817,774
EBITDA	71,734,307	67,913,578

CASH FLOW GENERATED:		
Net cash flows from operating activities	46,128,685	50,268,979
Net cash flows used in investing activities	(12,702,189)	(15,086,375)
Net cash flows used in financing activities	(31,380,181)	(45,434,740)
Net (Decrease)/Increase in Cash & Cash Equivalents	2,046,315	(10,252,136)
Cash & Cash Equivalents, Beginning	54,538,784	64,763,642
Cash & Cash Equivalents, End	56,759,297	54,538,784
CURRENT RATIO	1.56	1.79
DEBT-TO-EQUITY RATIO	1.40	1.51

- Share in net earnings in associates and joint ventures for the year of 2024 decreased by 21% compared to 2023. The decrease was mainly due to the recognition of depreciation and interest for GNPower Dinginin Ltd. Co.'s (GNPD) Units 1 and 2, and lower availability due to planned outages.

- EBITDA for 2024 increased by 6%. This was primarily due to higher generation portfolio margins and additional capacities from the 159 MW Laoag and 94 MW Cayanga Solar Plants.

- Cash and cash equivalents increased by ₱2.22 bn. This was mainly due to dividends received from associates and joint ventures, and the availment of new loans for the Company's renewable energy (RE) projects partly offset by the payment of dividends in the first quarter of 2024.

- Current Ratio as of December 31, 2024 was at 1.56x as compared to 1.79x as of December 31, 2023. The decrease was primarily due to the reclassification of long-term debt from non-current to current which will mature in 2025, that resulted in higher current liabilities.

- Debt-to-Equity Ratio as of December 31, 2024 was at 1.40x, lower than the 1.51x recorded as of December 31, 2023.

Results of Operations

Net income attributable to equity holders of the parent for the year of 2024 was ₱33.90 bn, which was 2% higher than the ₱33.10 bn reported in year of 2023. The increase was primarily due to higher generation portfolio margins and additional capacities from the 159 megawatt-peak ("MWp") Laoag and 94 MWp Cayanga Solar Plants. This translated to earnings per share of ₱4.70 for the period.

Power Generation and Retail Electricity Supply (RES)

AboitizPower's Generation and Retail Supply business' beneficial EBITDA in 2024 was ₱66.7 bn, 11% higher than the ₱59.9 bn in 2023. This was driven by higher portfolio margins, the energization of the Laoag solar plants, and the full-year contribution of the Company's Cayanga solar plant. Energy sold reached 36,004 gigawatt-hours (GWh), which is flat compared to 2023.

Power Distribution

For the full year of 2024, the beneficial EBITDA of AboitizPower's Distribution business was 13% higher than in 2023, driven by higher energy sales. Energy sales rose due to the higher demand driven by the effect of the El Niño phenomenon. Energy sales from Residential and Commercial, and Industrial customers increased by 13% and 5% year-on-year, respectively.

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

Consolidated Statements of Income

Net income attributable to equity holders of the Parent increased by ₱798.00 mn, or 2% year-on-year. The various movements in line items are shown below to account for the increase:

(Amounts in thousands of ₱s)

Net Income Attributable to Equity Holders of the Parent (January - December 2023)	₱33,101,720
Decrease in operating revenues	(9,607,640)
Decrease in operating expenses	19,017,473
Increase in interest income	306,966
Increase in interest expense	(439,077)
Decrease in share in net earnings of associates and joint ventures	(4,124,351)
Decrease in other income	(2,952,724)
Increase in provision for taxes	(936,071)
Increase in income attributable to non-controlling interests	(466,112)
Total	798,464
Net Income Attributable to Equity Holders of the Parent (January - December 2024)	₱33,900,184

Operating Revenues

(5% decrease from ₱207.10 bn to ₱197.49 bn)
The decrease in operating revenues was primarily due to lower spot prices.

Operating Expenses

(11% decrease from ₱175.31 bn to ₱156.30 bn)
The decrease in operating expenses was mainly due to lower fuel costs.

Interest Income

(18% increase from ₱1.67 bn to ₱1.97 bn)
The increase in interest income during the year of 2024 as compared to 2023 was primarily due to higher money market placements.

Interest Expense and other financing costs

(3% increase from ₱14.16 bn to ₱14.60 bn)
The increase in interest expense during the year of 2024 as compared to 2023 was primarily due to the recognition of interest for Cayanga Solar Plants.

Share in Net Earnings of Associates and Joint Ventures

(21% decrease from ₱19.82 bn to ₱15.69 bn)
Share in net earnings in associates and joint ventures for the year of 2024 decreased by 21%, as compared to 2023. The decrease was mainly due to the recognition of depreciation and interest for GNPD Units 1 and 2, and lower availability due to planned outage during the year 2024.

Other Income (Expenses) – net

(64% decrease from ₱4.63 bn to ₱1.68 bn)
Other income decreased due to non-recurring gains on insurance claims recognized in 2023.

Provision for Taxes

(13% increase from ₱7.28 bn to ₱8.21 bn)
The increase in provision for taxes during 2024 was due to higher taxable income subject to income tax during the year of 2024.

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

Assets

Total assets as of December 31, 2024 compared to December 31, 2023 increased by ₱30.59 bn, or 6%. The major movements of the accounts leading to the increase were as follows:

a. Cash and cash equivalents increased by ₱2.22 bn, or 4% (from ₱54.54 bn to ₱56.76 bn). This was mainly due to dividends received from associates and joint ventures and new loans availed for the Company's RE projects, partly offset by dividend payments in the first quarter of 2024.

b. Trade and other receivables increased by ₱2.35 bn, or 7% (from ₱34.25 bn to ₱36.59 bn), primarily due to the accrual of the balance 70% revenue on the March 2024 reserve market billing.

c. Inventories increased by ₱576.00 mn or 4% (from ₱13.68 bn to ₱14.25 bn). This was mainly driven by the increase in the plant spare parts and supplies.

d. Other current assets increased by ₱2.12 bn, or 16% (from ₱12.99 bn to ₱15.11 bn). This was primarily due to the first- time consolidation of Potentia Insurance Pte Ltd (Potentia), bulk of which pertains to insurance assets.

e. Investments and advances increased by ₱4.29 bn, or 5% (from ₱91.64 bn to ₱95.93 bn). This was mainly driven by the take up of share in earnings from associates during the year of 2024.

f. Property, plant and equipment slightly increased by ₱10.43 bn, or 5% (from ₱209.73 bn to ₱220.16 bn). This was primarily due to the growth and planned capital expenditures for the renewable power projects.

g. Intangible assets increased by ₱2.10 bn, or 4% (from ₱49.76 bn to ₱51.86 bn). This was primarily due to the forex revaluation of GMEC's goodwill.

h. Net pension assets increased by ₱38.00 mn, or 94% (from ₱40.00 mn to ₱78.00 mn). This was mainly due to higher contributions made during the year 2024.

i. Other noncurrent assets increased by ₱6.51 bn, or 35% (from ₱18.72 bn to ₱25.23 bn). This was primarily due to the increase in advances to contractors driven by the growth in renewable power projects and TLI's prepayment for PSALM Pagbilao land lease agreement in December 2024.

Liabilities

Compared to December 31, 2023, total liabilities as of December 31, 2024 slightly increased by ₱8.67 bn, or 3%. The major movements of accounts leading to the increase were as follows:

a. Short-term loans increased by ₱5.08 bn, or 25% (from ₱19.96 bn to ₱25.04 bn). This was mainly due to the loan availments by the Group during the year of 2024, which were used for working capital requirements.

b. Trade and other payables increased by ₱2.84 bn, or 9% (from ₱32.87 bn to ₱35.71 bn). This was primarily due to the first time consolidation of Potentia which pertains to insurance liabilities.

c. Income tax payable increased by ₱865.00 mn, or 183% (from ₱473.00 mn to ₱1.34 bn). This was mainly due to higher taxable income.

d. Customers' deposits increased by ₱654.00 mn, or 7% (from ₱8.86 bn to ₱9.52 bn). This was mainly due to the receipt of bill deposits from new customers of the Retail Energy Supply.

e. Decommissioning liability decreased by ₱2.10 bn, or 29% (from ₱7.36 bn to ₱5.26 bn). This was mainly due to adjustments in the decommissioning provisions on power plant assets of AP Renewables Inc.

f. Long-term debt (current and non-current portions) decreased by ₱552.00 mn (from ₱214.27 bn to ₱213.72 bn). This was mainly due to regular debt servicing across the Group partly offset by new loans to support renewable power projects.

g. Lease liabilities (current and noncurrent portions) increased by ₱1.53 bn (from ₱2.91 bn to ₱4.45 bn). This was mainly due to the land lease agreement between Aboitiz Solar Power, Inc. and Calatrava Sugar Alliance, Inc.

h. Long-term obligation on power distribution system (current and noncurrent portions) decreased by ₱25.00 mn, or 21% (from ₱123.00 mn to ₱97.00 mn), due to Subic Enerzone's regular payment.

i. Net derivative asset and liability changed by ₱207.00 mn (from ₱126.00 mn liability to ₱81.00 mn asset) during the year of 2024 due to net hedging gains.

j. Net deferred income tax assets and liabilities changed by ₱653.00 mn (from ₱1.34 bn to ₱1.33 bn asset and from ₱4.83 bn to ₱5.48 bn liability). This was mainly due to the reversal of Therma Luzon Inc's (TLI's) deferred tax asset on prepayment of lease liability and transfer value made to PSALM.

Equity

Equity attributable to equity shareholders of the Parent increased by 13% (from ₱180.14 bn as of December 31, 2023 to ₱203.23 bn as of December 31, 2024) mainly due to the higher generation portfolio margins and additional capacities from the 159 megawatt (MW) Laoag and 94 MW Cayanga Solar Plants in 2024. Cumulative translation adjustments increased by ₱3.16 bn, due to the upward net adjustment in the net assets translation effect of GMEC and Luzon Hydro Corporation (LHC) during the period. Cash flow hedge reserve increased by ₱335.00 mn, due to the upward net adjustment in the fair value of the Group's foreign currency forward, interest swap and commodity swap contracts.

Material Changes in Liquidity and Cash Reserves of Registrant

As of December 31, 2024, the Group's cash and cash equivalents increased by 4% to ₱56.76 bn, from ₱54.54 bn as of December 31, 2023.

Net cash flows from operating activities decreased from ₱50.27 bn during the year 2023 to ₱46.13 bn during the year of 2024, primarily due to the increased cash outflows related to accounts payable.

Net cash flows used in investing activities decreased from ₱15.09 bn during the year 2023 to ₱12.70 bn during the year of 2024, mainly due to higher cash dividends received from associates and joint ventures, partially offset by higher scheduled capital expenditures for the renewable power projects.

The net cash flows used in financing activities decreased from ₱45.43 bn during the year 2023 to ₱31.38 bn during the year of 2024 mainly due to higher payments of cash dividends and lower availment of long-term debt during the year..

Financial Ratios

As of December 31, 2024, current assets increased by 6% and current liabilities increased by 22%. The current ratio as of December 31, 2024 was at 1.56x compared to 1.79x as of December 31, 2023.

Consolidated debt-to-equity ratio as of December 31, 2024 was at 1.40x, lower than the 1.51x recorded at the end of 2023. This was due to a 3% increase in total liabilities compared to a higher 11% increase in equity during the year 2024.

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

AboitizPower is focused on providing reliable energy supply to its customers at a reasonable cost and with minimal impact on the environment and on the communities. The Company believes that to effectively and sustainably address the country's power requirements, a mix of power generation technologies is necessary. For this reason, AboitizPower pursues both renewable energy (RE) projects and thermal technologies where and when it makes sense.

In spite of the increased competition in the domestic power generation sector, AboitizPower has built the foundation to sustain its long-term growth by continuously expanding its portfolio of baseload and RE generation assets.

Given the current trajectory of power demand needs in the Philippines and the expected build progression of new plants over the next decade, AboitizPower believes its existing coal assets continue to play an integral role and constantly seeks improvements to ensure it operates these assets responsibly and in compliance with all relevant regulations. The Company is closely and proactively monitoring the developments in climate-related regulations and initiatives, including the coal moratorium of the Department of Energy (DOE) and ongoing discussions on the early retirement of coal plants in the Philippines and Indonesia. Through its parent company, Aboitiz Equity Ventures, Inc. (AEV), AboitizPower is the first Philippine company to sign up and commit to the Task Force on Climate-Related Financial Disclosure framework. The Company has taken steps to proactively quantify the potential impacts of various climate regulations on its assets and continues to invest in efforts to manage risks that are above certain thresholds.

AboitizPower also committed to add 3,700 MW of new RE capacity by 2030. As of January 31, 2025, AboitizPower has successfully energized 500 MW of its initial expansion phase, which includes developing solar and wind plants with a cumulative net attributable capacity of up to 1,200 MW. The Company is on track to energize another 321 MW in 2025 and to begin construction on another 606 MW. The second phase of its expansion will see additional capacity of around 1,700 MW of solar and wind power. AboitizPower's growing RE portfolio should enable the Company to maximize opportunities arising from the DOE's implementation of the Renewable Portfolio Standards ("**RPS**"), which mandates power distribution utilities, electric cooperatives, and retail electricity suppliers to source 35% of their energy supply from RE facilities by 2030 and 50% by 2040.

Further, AboitizPower remains open to other relevant opportunities that will help meet the Philippines' critical energy needs. On March 1, 2024, the Company, through its subsidiary Therma NatGas Power, Inc., entered into an investment agreement with Meralco PowerGen Corporation and acquired 40% of Chromite Gas Holdings. Chromite Gas Holdings, in turn, acquired a 67% interest in two gas-fired power plants and a liquified natural gas (LNG) import and regasification terminal, marking AboitizPower's foray into the LNG space. On December 23, 2024, the relevant parties received approval from the Philippine Competition Commission (PCC) to proceed with this transaction and on by January 27, 2025, the AboitizPower was informed by TNGP that the conditions precedent for its co-investment with MGen and SMGP have been the transaction was completed.

The Company believes that its balance sheet gives it the capability to create or acquire additional generating capacity over the next few years. AboitizPower, together with its partners, has allotted ₱78 bn for capital expenditures in 2025, of which, about 664% is earmarked for AboitizPower's RE portfolio pipeline, while the remainder is for the maintenance of its baseload plants, as well as further investments in land, new substations, and new meters for its distribution business.

Other known trends, events, uncertainties which may have a material impact on AboitizPower have been discussed extensively in sections of the Company's Information Statement (e.g. for an extensive discussion on regulatory issues, see Effect of Existing or Probable Government Regulations on the Business on page 79 of the Company's 2024 Preliminary Information Statement).

Year Ended December 31, 2023 versus Year Ended December 31, 2022

The table below shows the comparative figures of the key performance indicators for the year ended December 31, 2023 and December 31, 2022:

Key Performance Indicators	December 31, 2023 Audited	December 31, 2022 (As restated)
Amounts in thousands of ₱s, except for financial ratios		
SHARE IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	19,817,774	15,134,970
EBITDA	67,913,578	57,596,836
CASH FLOW GENERATED:		
Net cash flows from operating activities	50,268,979	34,213,337
Net cash flows used in investing activities	(15,086,375)	(11,442,216
Net cash flows used in financing activities	(45,434,740)	(14,475,876)
Net (Decrease)/Increase in Cash & Cash Equivalents	(10,252,136)	8,295,245
Cash & Cash Equivalents, Beginning	64,763,642	57,130,243
Cash & Cash Equivalents, End	54,538,784	64,763,642
CURRENT RATIO	1.79	1.78
DEBT-TO-EQUITY RATIO	1.51	1.68

- Share in net earnings in associates and joint ventures for the year 2023 increased by 31% compared to 2022. The increase was mainly due to fresh contributions from GNPower Dinginin Ltd. Co. ("**GNPD**").

- EBITDA for the year 2023 increased by 18%. This was primarily due to fresh contributions from GNPD Units 1 and 2 and higher availability across the Company's generation portfolio.

- Cash and cash equivalents as of end-2023 decreased by ₱10.2 billion (bn) compared to end-2022. This was mainly due to the prepayment by Therma Luzon, Inc. (TLI) of its remaining lease obligations to PSALM and the acquisition of treasury shares by AboitizPower.

- Current Ratio as of December 31, 2023 was at 1.79x as compared to 1.78x as of December 31, 2022.

- Debt-to-Equity Ratio as of December 31, 2023 was at 1.51x, lower than the 1.68x recorded as of December 31, 2022.

Results of Operations

Core net income for the full year 2023 was ₱32.0 bn, 29% higher than the ₱24.8 bn recorded in 2022. The increase was primarily due to fresh contributions from GNPD and higher availability across the Company's generation portfolio. The Company's reported net income for the full year 2023 was ₱33.1 bn, 27% higher than the reported net income of ₱26.0 bn for 2022.

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

Power Generation and Retail Electricity Supply (RES)

AboitizPower's generation and retail supply business recorded EBITDA of ₱61.3 bn in 2023, 20% higher than the ₱ 51.2 bn recorded in 2022. This was primarily due to fresh contributions from GNPD and higher availability across the Company's portfolio. Energy volume sold in 2023 increased by 17% to 35,372 gigawatt-hours (GWh) compared to 30,251 GWh in 2022.

Power Distribution

During 2023, AboitizPower's distribution business recorded EBITDA of ₱8.7 bn, 8% higher than the ₱8.0 bn recorded in 2022. Energy sales increased by 6% to 6,157 GWh in 2023, compared to 5,785

GWh in 2022. Energy sales from the Residential customer segment was higher by 8% and Commercial and Industrial energy sales were higher by 6%, due to recoveries in demand in the areas affected by Typhoon Odette and resurgence of energy sold back to pre-pandemic level.

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

Consolidated Statements of Income

Net income attributable to equity holders of the Parent increased by ₱7.10 bn, or 27% YoY. The various movements in line items are shown below to account for the increase:

(Amounts in thousands of ₱s)

Net Income Attributable to Equity Holders of the Parent (January - December 2022)	₱25,998,668
Increase in operating revenues	13,106,309
Increase in operating expenses	(11,124,204)
Increase in interest income	988,582
Increase in interest expense	(741,298)
Increase in share in net earnings of associates and joint ventures	4,682,804
Increase in other income	4,118,484
Increase in provision for taxes	(2,575,860)
Increase in income attributable to non-controlling interests	(1,351,765)
Total	7,103,052
Net Income Attributable to Equity Holders of the Parent (January - December 2023)	₱33,101,720

Operating Revenues

(7% increase from ₱193.99 bn to ₱207.10 bn)
The increase in operating revenues was primarily due to higher availability across the Company's generation portfolio.

Operating Expenses

(7% increase from ₱164.19 bn to ₱175.31 bn)
The increase in operating expenses was mainly due to the higher cost of purchased power and of generated power. This is consistent with the higher operating revenues discussed above.

Interest Income

(146% increase from ₱679.00 mn to ₱1.67 bn)
The increase in interest income was primarily due to higher interest rates on money market placements.

Interest Expense and other financing costs

(6% increase from ₱13.42 bn to ₱14.16 bn)
Interest expense increased due to higher levels of long-term debt as of December 31, 2023 as compared to December 31, 2022.

Share in Net Earnings of Associates and Joint Ventures

(31% increase from ₱15.13 bn to ₱19.82 bn)
Share in net earnings in associates and joint ventures for the year of 2023 increased by 31%, as compared to 2022. The increase was mainly due to the fresh contributions from GNPD.

Other Income (Expenses) – net

(reversal from expenses of ₱515.00 mn to income of ₱4.63 bn)
The reversal from expenses to income during year 2023 as compared to year 2022 was mainly due to the additional investment in STEAG State Power, Inc. (SPI). The increase in the Company's stake from 34% to 69.4% resulted in recording a bargain purchase gain. Additional increase in other income was also due to the recognition of the business interruptions (BI) claims for the GNPower Mariveles Energy Center Ltd. Co. (GMEC), Hedcor Bukidnon Inc. (HBI), Hedcor Inc. (HI), and AP Renewables Inc. (APRI) plant outages.

Provision for Taxes

(55% increase from ₱4.70 bn to ₱7.28 bn)
The increase in provision for taxes during 2023 was due to higher taxable income and the reversal of TLI's deferred tax asset on PSALM lease obligations due to the prepayment by TLI to PSALM on November 2023 of the remaining lease payments.

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

Assets

Total assets as of December 31, 2023 compared to December 31, 2022 increased by ₱9.65 bn, or 2%. The major movements of the accounts leading to the increase were as follows:

a. Cash and cash equivalents decreased by ₱10.22 bn, or 16% (from ₱64.76 bn to ₱54.54 bn). This was mainly due to prepayment of TLI PSALM lease and acquisition of treasury shares.

b. Trade and other receivables decreased by ₱1.10 bn, or 3% (from ₱35.34 bn to ₱34.25 bn). This was primarily due to higher collection efficiency.

c. Inventories decreased by ₱2.45 bn or 15% (from ₱16.12 bn to ₱13.68 bn). This was mainly driven by the decrease in fuel inventory due to lower indices.

d. Derivative assets (current and non-current portions) decreased by ₱2.56 bn or 88% (from ₱2.91 bn to ₱0.36 bn). This was mainly due to the maturity of derivatives and prepayment of TLI PSALM lease.

e. Other current assets decreased by ₱1.09 bn, or 8% (from ₱14.08 bn to ₱12.99 bn). This was mainly due to the lower debt service reserve account and utilization of prepaid taxes.

f. Investments and advances increased by ₱13.71 bn, or 18% (from ₱77.93 bn to ₱91.64 bn). This was mainly due to fresh contributions from GNPD.

g. Property, plant and equipment slightly increased by ₱2.87 bn, or 1% (from ₱206.86 bn to ₱209.73 bn). This was primarily due to the planned capital expenditures for the renewable power projects, partly offset by the depreciation of existing assets.

h. Other noncurrent assets increased by ₱10.33 bn, or 123% (from ₱8.39 bn to ₱18.72 bn). This was primarily due to the first-time consolidation of SPI, bulk of which pertains to service concession agreement.

Liabilities

Compared to December 31, 2022, total liabilities as of December 31, 2023 decreased by ₱6.19 bn, or 2%. The major movements of accounts leading to the decrease were as follows:

a. Short-term loans decreased by ₱1.44 bn, or 7% (from ₱21.40 bn to ₱19.96 bn). This was mainly due to loan payments by the Group.

b. Derivative liabilities (current and non-current portions) increased by ₱34 mn, or 8% (from ₱447 mn to ₱482 mn). This was primarily due to net hedging losses.

c. Income tax payable decreased by ₱20.00 mn, or 4% (from ₱493.00 mn to ₱473.00 mn). This was mainly due to lower taxable income.

d. Customers' deposits increased by ₱718.00 mn, or 9% (from ₱8.14 bn to ₱8.86 bn). This was mainly due to the receipt of bill deposits from new customers of the Retail Energy Supply and Distribution Utilities segments.

e. Long-term debt (current and non-current portions) increased by ₱14.82 bn, or 7% (from ₱199.45 bn to ₱214.27 bn). This was mainly due to new loans to support renewable energy projects and to prepay TLI's lease obligations to PSALM, which were partly offset by regular debt servicing across the Group.

f. Lease liabilities (current and noncurrent portions) decreased by ₱24.63 bn, or 89% (from ₱27.54 bn to ₱2.91 bn). This is mainly due to the prepayment by TLI of its lease obligations to PSALM.

g. Long-term obligation on power distribution system (current and noncurrent portions) decreased by ₱23.00 mn, or 16% (from ₱145.00 mn to ₱123.00 mn), due to Subic Enerzone's regular payment.

h. Decommissioning liability increased by ₱1.71 bn, or 30% (from ₱5.65 bn to ₱7.36 bn). This was mainly due to adjustments in the decommissioning provisions on power plant assets of APRI.

i. Net pension liabilities (net of pension assets) increased by ₱346.00 mn, or 67% (from ₱516.00 mn to ₱863.00 mn), mainly due to higher current service cost based on the new actuarial studies across the Group.

j. Deferred income tax liabilities (net of deferred income tax assets) increased by ₱2.20 bn, or 171% (from ₱1.29 bn to ₱3.49 bn). This was mainly due to the IAS 12 adoption of recognizing deferred income tax liabilities on TLI's right-of-use (ROU) assets and to the first-time consolidation of SPI.

Equity

Equity attributable to equity shareholders of the Parent increased by 7% (from ₱169.06 bn as of December 31, 2022 to ₱180.14 bn as of December 31, 2023) mainly due to fresh contributions from GNPD and higher availability across the Company's generation portfolio. Cash flow hedge reserve decreased by ₱2.92 bn primarily due to the maturity of TLI's commodity swap contracts. Cumulative translation adjustments and share in other comprehensive income of associates and joint ventures decreased by ₱0.5 bn, due to the downward net adjustment in the net assets translation effect of GMEC and GNPD during the year.

Material Changes in Liquidity and Cash Reserves of Registrant

As of December 31, 2023, the Group's cash and cash equivalents decreased by 16% to ₱54.54 bn, from ₱64.76 bn as of December 31, 2022.

Higher EBITDA and lower working capital requirements resulted in higher cash generated from operations during the year of 2023 by ₱16.05 bn, which was a 47% increase compared to the year of 2022.

Net cash flows used in investing activities increased from ₱11.44 bn in 2022 to ₱15.09 bn in 2023, mainly due to the higher scheduled capital expenditures for the renewable power projects.

The net cash flows used in financing activities increased from ₱14.48 bn in 2022 to ₱45.43 bn in 2023, mainly due to TLI prepayment of lease obligations and acquisition of treasury shares.

There are no events that will trigger direct or contingent financial obligations that are material to the Company, including any default or acceleration of an obligation, except those discussed under Item 3 – Legal Proceedings of this Definitive Information Statement.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created in 2023.

Financial Ratios

As of December 31, 2023, current assets decreased by 13% and current liabilities decreased by 13% YoY compared to the end of 2022. The current ratio as of December 31, 2023 was at 1.79x compared to 1.78x as of December 31, 2022.

Consolidated debt-to-equity ratio as of December 31, 2023 was at 1.51x, lower than the 1.68x recorded at the end of 2022. This was due to a 2% decrease in total liabilities compared to a higher 9% increase in equity in 2023.

Year Ended December 31, 2022 versus Year Ended December 31, 2021

Key Performance Indicators	December 31, 2022	December 31, 2021
Amounts in thousands of ₱s, except for financial ratios		
SHARE IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	15,134,970	9,479,696
EBITDA	57,596,836	50,661,619
CASH FLOW GENERATED:		
Net cash flows from operating activities	34,213,337	36,327,036
Net cash flows used in investing activities	(11,442,216)	1,018,171
Net cash flows used in financing activities	(14,475,876)	(19,103,660)
Net (Decrease)/Increase in Cash & Cash Equivalents	8,295,245	18,241,547
Cash & Cash Equivalents, Beginning	57,130,243	38,699,545
Cash & Cash Equivalents, End	64,763,642	57,130,243
CURRENT RATIO	1.78	1.53
DEBT-TO-EQUITY RATIO	1.68x	1.75

- Share in net earnings in associates and joint ventures for the year 2022 increased by 60% compared to 2021. The increase was mainly due to the fresh contributions from GNPD.

- EBITDA for 2022 increased by 14%. This was primarily due to fresh contributions from GNPD Units 1 and 2, higher availability across the Company's generation portfolio, gains from commodity hedges, and higher water inflows.

- Cash and cash equivalents as of end-2022 increased by ₱7.63 billion (bn) compared to end-2021. This is mainly due to the availment of new loans for renewable projects.

- Current Ratio as of December 31, 2022 was at 1.78x as compared to 1.53x as of December 31, 2021. The increase was primarily due to lower long-term debt portion that is due to be repaid within the next 12 months and the increase in cash and cash equivalents.

- Debt-to-Equity Ratio as of December 31, 2022 was at 1.68x, lower than the 1.75x recorded as of December 31, 2021.

Results of Operations

Net income for 2022 was ₱26.00 bn, which was 36% higher than the ₱19.09 bn reported in 2021. This translated to earnings per share of ₱3.53 for 2022. The Company also recognized non-recurring gains of ₱1.0 bn during 2022, as compared to ₱57 million (mn) in non-recurring gains recorded in 2021. This is due to the portion of commodity hedge gains which were not recognized in fuel costs. Without these one-off gains, the Company's core net income for the full year 2022 was ₱24.8 bn, 30% higher than the ₱19.0 bn recorded in 2021. If the Company excluded the impact of Typhoon Odette, liquidated damages, and business interruption claims that the Company collected in 2022 and 2021, this would have resulted in a 47% gain in the Company's core net income and a 52% gain in its net income in 2022 versus 2021. The increase in net income during 2022 was primarily due to fresh contributions from GNPD and higher availability across the Company's generation portfolio, gains from commodity hedges, and higher water inflows.

Power Generation and Retail Electricity Supply (RES)

AboitizPower's generation and retail supply business recorded EBITDA of ₱51.2 bn in 2022, 18% higher than the ₱ 43.4 bn recorded in 2021. This was primarily due to fresh contributions from GNPD and higher availability across the Company's portfolio, gains from commodity hedges, and higher water inflows. Capacity sold in 2022 increased by 7% to 4,034 megawatts (MW), compared to 3,753 MW in 2021. Energy sold increased by 16% to 30,251 gigawatt-hours (GWh) for the full year 2022, compared to 26,031 GWh in 2021.

Power Distribution

In 2022, AboitizPower's distribution business recorded EBITDA was ₱8.0 bn, which is 6% higher than the ₱7.5 bn recorded in 2021. Energy sales increased by 4% to 5,785 GWh in 2022, compared to 5,583 GWh in 2021. Energy sales from the Residential customer segment were flat year-on-year (YoY). Commercial and Industrial energy sales were higher by 5% due to recovering demand in 2022.

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

Consolidated Statements of Income

Net income attributable to equity holders of the Parent increased by ₱6.91 bn, or 36% YoY. The various movements in line items are shown below to account for the increase:

(Amounts in thousands of ₱s)

Net Income Attributable to Equity Holders of the Parent (January - December 2021)	*₱19,085,669*
Increase in operating revenues	59,634,367
Increase in operating expenses	(58,041,189)
Increase in interest income	335,463
Decrease in interest expense	170,017
Increase in share in net earnings of associates and joint ventures	5,655,274
Increase in other income	301,765
Increase in provision for taxes	(838,602)
Increase in income attributable to non-controlling interests	(304,096)
Total	6,912,999
Net Income Attributable to Equity Holders of the Parent (January - December 2022)	**₱25,998,668**

Operating Revenues

(44% increase from ₱134.36 bn to ₱193.99 bn)

The increase in operating revenues during 2022 as compared to 2021 was primarily due to higher availability across the Company's generation portfolio.

Operating Expenses

(55% increase from ₱106.15 bn to ₱164.19 bn)
The increase in operating expenses during 2022 as compared to 2021 was mainly due to the higher cost of purchased power and of generated power. This is consistent with the higher operating revenues discussed above.

Interest Income

(98% increase from ₱343.00 mn to ₱679.00 mn)
The increase in interest income during 2022 as compared to year 2021 was primarily due to higher interest rates on money market placements.

Interest Expense and other financing costs

(1% decrease from ₱13.59 bn to ₱13.42 bn)
Interest expense decreased during 2022 as compared to 2021 due to lower interest accretion on lease liabilities as timely payments were made during 2022 on TLI's obligation to PSALM.

Share in Net Earnings of Associates and Joint Ventures

(60% increase from ₱9.48 bn to ₱15.13 bn)
Share in net earnings in associates and joint ventures for 2022 increased by 60% YoY. The increase was mainly due to fresh contributions from GNPD.

Other Income (Expenses) – net

(141% increase from ₱214.00 mn to ₱515.00 mn)
The increase in net other income (expenses) during 2022 as compared to 2021 was mainly due to higher realized commodity hedging gains.

Provision for Taxes

(22% increase from ₱3.86 bn to ₱4.70 bn)
The increase in provision for taxes during 2022 was due to higher taxable income, IAS 12 adoption of recognition of deferred income tax liabilities on right-of-use (ROU) assets, and the timing of the adjustments relating to the provisions of CREATE Act during the first half of 2021.

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

Assets

Total assets as of December 31, 2022 compared to December 31, 2021 increased by ₱50.20 bn, or 12%. The major movements of the accounts leading to the increase were as follows:

a. Cash and cash equivalents increased by ₱7.63 bn, or 13% (from ₱57.13 bn to ₱64.76 bn). This is mainly due to ARI's new loans to support its renewable power projects.

b. Trade and other receivables increased by ₱8.52 bn, or 32% (from ₱26.82 bn to ₱35.34 bn), primarily due to higher revenues.

c. Inventories increased by ₱6.55 bn or 68% (from ₱9.57 bn to ₱16.12 bn). This was mainly driven by the increase in spare parts, supplies and fuel inventory.

d. Other current assets increased by ₱4.57 bn, or 48% (from ₱9.51 bn to ₱14.08 bn). This was mainly driven by TLI's VAT input build-up as well as TVI and TSI's build-up of restricted cash in its reserve account in accordance with its loan agreement.

e. Investments and advances increased by ₱12.98 bn, or 20% (from ₱64.95 bn to ₱77.93 bn). This was mainly driven by the take up of share in earnings from associates during the year 2022 which was higher than the receipt of dividends.

f. Property, plant and equipment slightly increased by ₱3.62 bn, or 2% (from ₱203.24 bn to ₱206.86 bn). This was primarily due to the construction-in-progress of new solar power plant projects and the catch up on capital expenditures that were previously deferred due to the pandemic., partly offset by the depreciation of existing assets.

g. Intangible assets increased by ₱3.76 bn, or 8% (from ₱46.02 bn to ₱49.77 bn). This was primarily due to the forex revaluation of GMEC goodwill partly offset by amortization of existing assets.

h. Other noncurrent assets increased by ₱1.20 bn, or 17% (from ₱7.18 bn to ₱8.39 bn). This was mainly due to the reclassification of prepaid taxes which are expected to be utilized for more than one year.

Liabilities

Compared to December 31, 2021, total liabilities as of December 31, 2022 increased by ₱27.15 bn, or 10%. The major movements of accounts leading to the increase were as follows:

a. Short-term loans increased by ₱2.78 bn, or 15% (from ₱18.63 bn to ₱21.40 bn). This was mainly due to loan availments by the Group during the year of 2022 which were used for working capital purposes and PV Sinag's availment of bridge short-term loan for project financing.

b. Trade and other payables increased by ₱10.20 bn, or 45% (from ₱22.74 bn to ₱32.95 bn). This was primarily due to the increase in trade and fuel purchases.

c. Income tax payable increased by ₱228.00 mn, or 86% (from ₱265.00 mn to ₱493.00 mn). This was mainly due to higher taxable income.

d. Customers' deposits increased by ₱944.00 mn, or 13% (from ₱7.20 bn to ₱8.14 bn). This was mainly due to the receipt of bill deposits from new customers of the Retail Energy Supply and Distribution Utilities segments.

e. Long-term debt (current and non-current portions) increased by ₱17.41 bn (from ₱182.04 bn to ₱199.45 bn). This was mainly due to ARI's new loans to support renewable power projects.

f. Lease liabilities (current and noncurrent portions) decreased by ₱6.23 bn (from ₱33.77 bn to ₱27.54 bn), as TLI made regular payments during 2022 of its obligation to PSALM.

g. Long-term obligation on power distribution system (current and noncurrent portions) decreased by ₱20.00 mn, or 12% (from ₱166.00 mn to ₱145.00 mn), due to Subic Enerzone's regular payment.

h. Net derivative asset and liability changed by ₱1.40 bn (from ₱1.07 bn asset to ₱2.46 bn asset) during the year 2022 due to net hedging gains.

i. Net pension liabilities increased by ₱300.00 mn, or 139% (from ₱216.00 mn to ₱516.00 mn), mainly due to higher current service cost based on the new actuarial studies across the Group.

j. Deferred income tax liabilities (net of deferred income tax assets) increased by ₱1.64 bn, or 468% (from net deferred tax assets of ₱351.00 mn to net deferred tax liabilities of ₱1.29 bn). This was mainly due to the IAS 12 adoption of recognizing deferred income tax liabilities on TLI's ROU assets.

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

Equity

Equity attributable to equity shareholders of the Parent Company increased by 15% (from ₱147.45 bn as of December 31, 2021 to ₱169.06 bn as of December 31, 2022) mainly due to the retained earnings build-up, cumulative translation adjustments and cash flow hedge reserve recognized in 2022. Cumulative translation adjustments increased by ₱3.55 bn, due to the upward net adjustment in the net assets translation effect of GMEC and LHC during the period. Cash flow hedge reserve increased by ₱1.73 bn, due to the upward net adjustment in the fair value of the Group's foreign currency forward and commodity swap contracts.

Material Changes in Liquidity and Cash Reserves of Registrant

As of December 31, 2022, the Group's cash and cash equivalents increased by 13% to ₱64.76 bn, from ₱57.13 bn as of December 31, 2021.

Higher working capital requirements for fuel purchases resulted in lower cash generated from operations during the year 2022 by ₱2.11 bn which was a 6% decrease compared to 2021.

Net cash flows from (used in) investing activities reversed from ₱1.02 bn in 2021 to -₱11.44 bn in 2022, mainly due to lower dividends received from associates and higher capital expenditures.

The net cash flows used in financing activities decreased from ₱19.10 bn in 2021 to ₱14.48 bn in 2022 mainly due to reduced debt repayments and the impact of new loans.

Financial Ratios

As of December 31, 2022, current assets increased by 27% and current liabilities increased by 9% YoY compared to the end of 2021. The current ratio as of December 31, 2022 was at 1.78x compared to 1.53x as of December 31, 2021.

Consolidated debt-to-equity ratio as of December 31, 2022 was at 1.68x, lower than the 1.75x recorded at the end of 2021. This was due to a 10% increase in total liabilities compared to a higher 15% increase in equity in 2022.

Item 7. Financial Statements

The consolidated financial statements of AboitizPower are incorporated herein by reference. The schedules listed in the accompanying Index to Supplementary schedules are filed as part of this SEC Form 17-A.

Seasonal aspects that have material effect on the Financial Statements have been discussed under *Major Risk/s Involved in the Business* in Part I Item 1 (xv) of this SEC Form 17-A.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has engaged the services of SyCip Gorres Velayo & Co. (SGV) during the two most recent fiscal years. There were no disagreements with SGV on accounting and financial disclosure.

Information on Independent Public Accountant

As a matter of policy, the Board Audit Committee (the "**Audit Committee**") selects, monitors, and reviews the independence, performance and effectiveness, scope of work, fees, and remuneration of external auditors, in consultation with the Chief Executive Officer, the Chief Financial Officer, and the Group Internal Audit Head. Where appropriate, the Audit Committee may recommend to the Board of Directors the re-appointment or replacement of the current external auditor.

During the March 6, 2025 Board Meeting, the Chairman of the Audit Committee, Mr. Antonio A. Canova, reported to the Board that the Audit Committee evaluated and assessed the previous year's performance of the Company's external auditor, SyCip Gorres Velayo & Co. (SGV). Based on the results of its evaluation, the Audit Committee advised the Board of Directors that it is satisfied with SGV's performance for the previous year and recommended SGV's re-appointment as the Company's external auditor for 2025.

The Board of Directors discussed the Audit Committee's recommendation, and after discussion, approved the re-appointment of SGV. The Board of Directors will endorse to the shareholders the re-appointment of SGV as the Company's external auditor for 2025.

The accounting firm of SGV has been AboitizPower's Independent Public Accountant for the last 26 years. Ms. Jhoanna Feliza C. Go is AboitizPower's audit partner from SGV since 2022. AboitizPower complies with the requirements of Section 3(b)(ix) of SRC Rule 68 on the rotation of external auditors or signing partners and the two-year cooling-off period. There was no event in the past 26 years wherein AboitizPower and SGV or its handling partner had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The Chairman of the Audit Committee is Mr. Antonio A. Canova. The other members are Messrs. Eric Ramon O. Recto and Cesar G. Romero, Estela M. Perlas-Bernabe, Independent Directors, and Messrs. Izumi Kai and Erramon I. Aboitiz, who are directors of AboitizPower.

External Audit Fees and Services

The following table sets out the aggregate fees billed to the Company for each of the last two years for professional services rendered by SGV.

Fee Type	Year ended December 31, 2024	Year ended December 31, 2023
Audit Fees		
Audit Fees	₱23,675,000	₱23,034,000
Total	**23,675,000**	**23,034,000**
Non-Audit Fees		
Other assurance services	-	569,000
Tax services	9,349,000	4,752,000
All other services	14,388,000	-
Total	**23,737,000**	**5,321,000**
Total Audit and Non-Audit Fees	**₱47,412,000**	**₱28,355,000**

AboitizPower engaged SGV to audit its 2024 and 2023 annual financial statements. SGV was also engaged to conduct quarterly financial results for bond issuance readiness. The Company also engaged SGV to provide financial and tax due diligence in relation to the Company's preparation of BIR Form 1709 and transfer pricing documentation.

As a policy, the Board Audit Committee makes recommendations to the Board of Directors concerning the choice of external auditor and pre-approves audit plans, scope, and frequency before the audit is conducted.

Audit services of SGV for 2024 and 2023 were pre-approved by the Board Audit Committee. The Board Audit Committee also reviewed the extent and nature of these services to ensure that the independence of the external auditors was preserved. SGV does not have any direct or indirect interest in the Company.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has engaged the services of SGV during the two most recent fiscal years. There are no disagreements with SGV on accounting and financial disclosure.

MANAGEMENT

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

The overall management and supervision of the Company is undertaken by its board of directors (the "**Board**"). The Company's executive officers and team cooperate with the Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review. The Company's Board is composed of nine directors, three of whom are Independent Directors, four are Non-Executive Directors, and two are Executive Directors. Below are the profiles of each director for 2025-2026 with their corresponding positions, offices, and business experience held for the past five years. All directors were elected during AboitizPower's 2025 ASM to serve for a term of one year, and until their successors are duly elected and qualified.

SABIN M. ABOITIZ
Chairman of the Board
Non-Executive Director

Age: 60 years old
Citizenship: Filipino
Date of First Appointment: April 26, 2021
Tenure: 3 years

Committee Memberships:

Member	Board Cyber and Information Security Committee *(since April 26, 2021)*
	Board Environmental, Social and Corporate Governance Committee *(since April 26, 2021)*
	Board Executive Committee *(since April 26, 2021)*
	Board Risk and Reputation Management Committee *(since April 25, 2024)*

Present Positions:

Chairman of the Board	Aboitiz Power Corporation*
	Aboitiz Foundation, Inc.
	Advanced Data Innovation, Inc.
	Aboitiz Land, Inc.
	CRH Aboitiz Holdings, Inc.
	Tenfold Ventures Corporation
President and Chief Executive Officer	Aboitiz Equity Ventures Inc.*
	Aboitiz & Company, Inc.
President	AEV CRH Holdings, Inc.
Director	Aboitiz Construction International, Inc.
	Aboitiz Construction, Inc.
	Aboitiz Data Innovation Pte. Ltd.
	Aboitiz Foods Holdings, Inc.
	Aboitiz Impact Ventures, Inc.
	Aboitiz InfraCapital, Inc.
	AEV International Pte Ltd.
	CCEP Aboitiz Beverages Philippines, Inc.
	Lima Land, Inc.
	Pilmico Animal Nutrition Corporation
	Pilmico Foods Corporation
	Republic Cement & Building Materials, Inc.
	Republic Cement Services, Inc.

	Unity Digital Infrastructure Inc.
	Union Bank of the Philippines, Inc. *
Lead Convenor	Private Sector Advisory Council
Member	APEC Business Advisory Council Philippines (ABAC)

** A publicly listed company*

Previous Positions:

First Vice President	Aboitiz Equity Ventures Inc.
Senior Vice President	
Executive Vice President and Chief Operating Officer	

Educational Background:

College	Business Administration, Major in Finance Gonzaga University, Spokane, U.S.A.

He is not connected with any Philippine government agency or instrumentality.

ERIC RAMON O. RECTO
Vice Chairman of the Board
Lead Independent Director

Age: 61 years old
Citizenship: Filipino
Date of First Appointment: May 21, 2018
Tenure: 6 years

Committee Memberships:

Chairman	Board Related Party Transactions Committee *(since May 21 2018)*
	Board Cyber and Information Security Committee *(since April 26, 2021)*
	Board Risk and Reputation Management Committee *(since April 25, 2024)*
Member	Board Environmental, Social and Corporate Governance Committee *(since May 21, 2018)*
	Board Audit Committee *(since January 27, 2025)*

Present Positions:

Vice Chairman of the Board/ Lead Independent Director	Aboitiz Power Corporation*
Chairman of the Board	Philippine Bank of Communications*
	Pylon Holdings Corporation
Chairman of the Board and President	Bedfordbury Development Corporation
Chairman of the Board and Chief Executive Officer	Alphaland Corporation
	Atok-Big Wedge Co., Inc.*
President/Director	Q-Tech Alliance Holdings, Inc.
Director	DITO CME Holdings Corp.*
	Miescor Infrastructure Development

	Corporation
Independent Director	PH Resorts Group Holdings, Inc.*
Independent Director	Manila Water Company, Inc.*
Senior Adviser	Stonepeak Infrastructure Partners
Director	PXP Energy Corporation*

** A publicly listed company*

Previous Positions:

Vice Chairman	Alphaland Corporation
President	Top Frontier Investment Holdings, Inc.
Director	Manila Electric Company (Meralco)
	Maynilad Water Services, Inc.
	Metro Pacific Investments Corporation
	San Miguel Corporation
Independent Director	Davao Insular Hotel Company Inc.
	Energy Development Corporation
	Philippine National Bank
	Waterfront Cebu City Casino Hotel Inc.
Undersecretary	Department of Finance

Educational Background:

College	Bachelor of Science Degree in Industrial Engineering University of the Philippines – Diliman
Graduate Studies	Master in Business Administration, with concentration in Finance and Operation Management Johnson Graduate School of Management at Cornell University in Ithaca, New York, U.S.A.

He is not connected with any Philippine government agency or instrumentality.

ERRAMON I. ABOITIZ
Non-Executive Director

Age: 68 years old
Citizenship: Filipino
Date of First Appointment: February 13, 1988
Tenure: 10 months (since his re-appointment on April 22, 2024)

Committee Memberships:

Member	Board Audit Committee *(since April 25, 2024)*
	Board Executive Committee *(since April 25, 2024)*

Present Positions:

Chairman of the Board	Asian Institute of Management
	Union Bank of the Philippines *
	Endeavor Philippines
	UB Investment Management & Trust Corporation
Director	Aboitiz Equity Ventures Inc.*
	Aboitiz Power Corporation*
Board Observer	Aboitiz & Company, Inc.

** A publicly listed company*

Previous Positions:

Chairman of the Board	Aboitiz Power Corporation
President and Chief Executive Officer	Aboitiz Equity Ventures Inc.
	Aboitiz Power Corporation
	Aboitiz & Company, Inc.
Trustee	Philippine Disaster Recovery Foundation

Educational Background:

College	Bachelor of Science in Business Administration, Major in Accounting and Finance Gonzaga University, Spokane, Washington, U.S.A.
Graduate Studies	Honorary Doctorate Degree in Management Asian Institute of Management

He is not connected with any Philippine government agency or instrumentality.

ANTONIO A. CANOVA
Non-Executive Director

Age: 63 years old
Citizenship: Filipino
Date of First Appointment: July 1, 2024
Tenure: 8 months

Committee Memberships:

Chairman	Board Audit Committee *(since January 27, 2025)*
Member	Board Executive Committee *(since July 1, 2024)*

Present Positions:

Chairman of the Board	Aboitiz FeedAll Holdings, Inc.
	Pilmico Animal Nutrition Corporation
	Pilmico Foods Corporation
Director	Aboitiz Power Corporation*
	Aboitiz & Company, Inc.

* A publicly listed company

Previous Positions:

Chief Operating Officer and Chief Financial Officer	Chargepoint, Inc.
Chief Financial Officer	3 Leaf Networks
Vice President of Finance and Administration and Chief Financial Officer	Brocade Communications
Audit Partner	KPMG International Limited

Educational Background:

College	Bachelor of Science in Accounting Santa Clara University, USA

He is not connected with any Philippine government agency or instrumentality. He is not a director of any other publicly-listed company in the Philippines.

TOSHIRO KUDAMA
Non-Executive Director

Age: 66 years old
Citizenship: Japanese
Date of First Appointment: December 22, 2021
Tenure: 3 years

Committee Memberships:

Member	Board Executive Committee *(since December 22, 2021)*
	Board Risk and Reputation Management Committee *(since December 22, 2021)*
	Board Related Parties Transaction Committee *(since April 25, 2024)*

Present Positions:

Director	Aboitiz Power Corporation*
Head of Asia Pacific Operations	JERA Co., Inc.
Director/Vice Chairman	JERA Asia Private Limited

** A publicly listed company*

Previous Positions:

Managing Executive Officer	JERA Co., Inc.
Chief Power Development Officer and Senior Executive Vice President	
Director and Chief Executive Officer	JERA Asia Private Limited
Director and Chief Executive Officer	JERA Americas Inc.
Managing Director, Head of Overseas and Domestic Operations	TEPCO Fuel & Power, Incorporated

Educational Background:

College	Bachelor's Degree in Mechanical Engineering Tokyo Institute of Technology
Graduate Studies	Master's Degree in Mechanical Engineering Graduate School of Tokyo Institute of Technology

He is not connected with any Philippine government agency or instrumentality. He is not a director of any other publicly-listed company in the Philippines.

DANEL C. ABOITIZ

President and Chief Executive Officer
Executive Director

Age: 43 years old
Citizenship: Filipino
Date of First Appointment: December 11, 2018
Tenure: 6 years

Committee Memberships:

Chairman	Board Executive Committee *(since April 22, 2024)*
Member	Board Environmental, Social and Corporate Governance Committee *(since April 25, 2024)*
	Board Risk and Reputation Management Committee *(since April 25, 2024)*
Ex-Officio Member	Board Cyber and Information Security Management Committee *(since April 25, 2024)*
Observer	Board Related Party Transactions Committee *(since April 25, 2024)*

Present Positions:

President and Chief Executive Officer	Aboitiz Power Corporation*
Chairman of the Board	Aboitiz Renewables, Inc.
	Republic Cement Services, Inc.
	Therma Power, Inc.
Vice Chairman of the Board	Chromite Gas Holdings, Inc.
	Republic Cement & Building Materials, Inc.
Vice Chairman, Energy Committee	Management Association of the Philippines
Director	1882 Energy Ventures, Inc.
	AA Thermal, Inc.
	Aboitiz Foundation, Inc.
	Aboitiz Land, Inc.
	AboitizPower International Pte. Ltd.
	Abovant Holdings, Inc.
	AEV CRH Holdings, Inc.
	AP Renewables, Inc.
	Balamban Enerzone Corporation
	Cotabato Light & Power Company
	CRH Aboitiz Holdings, Inc.
	Davao Light and Power Co., Inc.
	East Asia Utilities Corporation
	Excellent Energy Resources Inc.
	Ilijan Primeline Industrial Estate Corp.
	Lima Enerzone Corporation
	Linseed Field Corporation
	Mactan Enerzone Corporation
	Malvar Enerzone Corporation
	Manila-Oslo Renewable Enterprise, Inc.
	Redondo Peninsula Energy, Inc.
	San Fernando Electric Light & Power Co., Inc.
	South Premiere Power Corp.
	SPI Power Incorporated
	Subic Enerzone Corporation
	Therma Dinginin Holdings, Inc.

	Therma Luzon, Inc.
	Therma Marine, Inc.
	Therma Mobile, Inc.
	Therma NatGas Power Inc.
	Therma Power-Visayas, Inc.
	Therma South, Inc.
	Therma Visayas, Inc.
	Visayan Electric Company, Inc.
Member of the Board of Advisors	Aboitiz & Company, Inc.
Private Sector Representative for Mindanao, Inter-Agency Investment Promotion Coordination Committee	Department of Trade and Industry

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Affiliations:

Director	Philippine Electricity Market Corporation
Vice Chairman	Philippine Independent Power Producers Association

Previous Positions:

Chief Commercial and Stakeholder Engagement Officer	Aboitiz Power Corporation
SVP for Regulatory Affairs and External Relations	
President and Chief Operating Officer	AboitizPower Coal Business Units
President and Chief Operating Officer	AboitizPower Oil Business Units

Educational Background:

College	MA, Philosophy & Politics (with Second Honors) University of Edinburgh
Gap Year	Beijing Language and Culture University Chinese Language

He is not a director of any other publicly-listed company in the Philippines.

CESAR G. ROMERO
Independent Director

Age: 59 years old
Citizenship: Filipino
Date of First Appointment: October 1, 2022
Tenure: 2 years

Committee Memberships:

Chairman	Board Environmental, Social and Corporate Governance Committee *(since October 1, 2022)*

Member	Board Audit Committee *(since October 1, 2022)*
	Board Cyber and Information Security Committee *(since April 25, 2024)*
	Board Related Party Transactions Committee *(since October 1, 2022)*
	Board Risk and Reputation Management Committee *(since October 1, 2022)*

Present Positions:

Independent Director	Aboitiz Power Corporation*
	Aboitiz Equity Ventures Inc.*
	Excellent Energy Resources Inc.
	Linseed Field Corporation
	South Premiere Power Corp.
	Robinsons Retail Holdings, Inc.*

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Previous Positions:

President and Chief Executive Officer	Pilipinas Shell Petroleum Corporation
Vice President – Global Retail Network	Shell's Global Downstream Business
Vice President of Retail Sales and Operations East	
Vice President for Supply – East based in Singapore	
Vice President for Downstream Management Consultancy based in London	
Business Assistant to the Executive Director	

Educational Background:

College	Bachelor of Science in Mechanical Engineering (*cum laude)*, University of the Philippines
Graduate Studies	Master's Degree in Business Administration (with High Distinction), University of Michigan, Michigan, U.S.A.
Various Management Development Courses	London Business School
	Wharton Business School

He is not connected with any Philippine government agency or instrumentality.

IZUMI KAI
Non-Executive Director

Age: 50 years old
Citizenship: Japanese
Date of First Appointment: August 15, 2023
Tenure: 1 year and 7 months

Committee Memberships:

Member	Board Audit Committee *(since August 15, 2023)*
	Board Environmental, Social and Corporate Governance Committee *(since August 15, 2023)*
Observer	Board Cyber and Information Security Committee *(since August 15, 2023)*

Present Positions:

Director	Aboitiz Power Corporation*
Chief Executive Officer	JERA Asia Pte. Ltd.
Managing Executive Officer – Head of Platform Business Division	JERA Co., Inc.

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Previous Positions:

Chief Strategy Officer	JERA Americas Holdings, Inc.
President	JERA Energy America LLC
General Manager for Global Fuel Trading Business Development	JERA Co., Inc.
Senior Manager for Marketing and Sales of LNG	Japan Petroleum Exploration Co., Ltd.

Educational Background:

College	Bachelor's Degree in Civil Engineering Ritsumeikan University, Japan
Graduate Studies	Master's Degree in Business Administration in Global Management with a major in Finance Arizona State University, USA

He is not connected with any Philippine government agency or instrumentality. He is not a director of any publicly-listed company in the Philippines.

ESTELA PERLAS-BERNABE
Independent Director

Age: 73 years old
Citizenship: Filipino
Date of First Appointment: April 28, 2025

Committee Memberships:

Member	Board Audit Committee (since April 28, 2025)
Chairman	Board Related-Party Transaction Committee (since April 28, 2025)

Present Positions:

Independent Director	BDO Unibank, Inc.* Converge Information and Communications Technology Solutions Inc.* Petrogen Insurance Corporation San Miguel Food and Beverage, Inc. *
Director	Philippine Judicial Academy (PHILJA) Development Center, Inc.
Trustee	Foundation for Liberty & Prosperity
Member	Singapore International Arbitration Centre Panel of Arbitrators

** A publicly listed company*

Previous Positions:

Senior Associate Justice	Supreme Court of the Philippines
Senior Partner	Bernabe Perlas Morte & Associates

Educational Background:

College	Bachelor of Science Degree in Commerce (Banking and Finance) (magna cum laude) St. Paul College - Manila
Graduate Studies	Bachelor of Laws Ateneo de Manila University, Manila

Officers for 2025-2026

Below is the list of AboitizPower's officers for 2025-2026 with their corresponding positions and offices held for the past five years. Unless otherwise indicated, the officers assumed their positions during AboitizPower's organizational meeting in 2025 for a term of one year.

SABIN M. ABOITIZ
Chairman – Board of Directors

Refer to Item 5 (a)(1) for the profile of Mr. Sabin M. Aboitiz

ERIC RAMON O. RECTO
Vice Chairman – Board of Directors

Refer to Item 5 (a)(1) for the profile of Mr. Eric Ramon O. Recto.

DANEL C. ABOITIZ
Director/President and Chief Executive Officer

Refer to Item 5 (a)(1) for the profile of Mr. Danel C. Aboitiz.

JUAN ALEJANDRO A. ABOITIZ
Senior Vice President/ Chief Financial Officer/Corporate Information Officer

Age: 40 years old
Citizenship: Filipino

Committee Memberships:

Ex-Officio Member	Board Executive Committee (since November 1, 2023)

Present Positions:

Senior Vice President/ Chief Financial Officer/Corporate Information Officer	Aboitiz Power Corporation*
Chairman of the Board	Aboitiz Power Distributed Energy, Inc.
	Aboitiz Power Distributed Renewables, Inc.
	Adventenergy, Inc.
	Adventpower, Inc. (Formerly: Aboitiz Energy Solutions, Inc.)
	Prism Energy, Inc.
	SN AboitizPower – RES, Inc.
Director	Aboitiz Foods Holdings, Inc.
	Aboitiz FeedAll Holdings, Inc.
	Aboitiz InfraCapital, Inc.
	AboitizPower International Pte. Ltd.
	Aboitiz Renewables, Inc.
	AP Renewables, Inc.
	Cebu Energy Development Corporation
	Cebu Private Power Corporation
	Chromite Gas Holdings, Inc.
	East Asia Utilities Corporation
	Manila-Oslo Renewable Enterprise, Inc.
	Mazzaraty Energy Corporation
	Pilmico Animal Nutrition Corporation
	Pilmico Foods Corporation
	Potentia Insurance Pte. Ltd.
	RE Resources, Inc.
	Therma Dinginin Holdings, Inc.
	Therma Luzon, Inc.
	Therma Marine, Inc.
	Therma Mobile, Inc.
	Therma NatGas Power, Inc.
	Therma Power, Inc.
	Therma Power-Visayas, Inc.
	Therma South, Inc.
	Therma Visayas, Inc.
Director and Treasurer	1882 Energy Ventures Incorporated
	Therma Mariveles Holdings, Inc.

President	Aboitiz Upgrade Solar, Inc.
Nominee and Treasurer	Solviva Energy OPC
Management Committee Representative	GNPower Dinginin Ltd. Co.
	GNPower Mariveles Energy Center Ltd. Co.
Advisor	Aboitiz & Company, Inc.

** A publicly listed company*

Previous Positions:

Director	Union Bank of the Philippines
Senior Vice President for Commercial Operations	Aboitiz Power Corporation
First Vice President for Energy Trading & Sales	
Assistant Vice President for Corporate Finance	Aboitiz Equity Ventures, Inc.
Management Trainee	
Department Head for Billing and Collection	Visayan Electric Company, Inc.

Educational Background:

College	Bachelor of Science in Accounting Loyola Marymount University, Los Angeles, California, U.S.A.
Graduate Studies	Master of Business Administration The Hong Kong University of Science and Technology
	MBA International Exchange Program IESE Business School – University of Navarra, Barcelona, Spain

He is not connected with any Philippine government agency or instrumentality. He is not a director of any other publicly-listed company in the Philippines.

MA. RACQUEL J. BUSTAMANTE
Senior Vice President – Deputy Chief Financial Officer/ Treasurer*

Age: 50 years old
Citizenship: Filipino

Committee Memberships:

None	N/A

Present Positions:

Senior Vice President – Deputy Chief Financial Officer/ Treasurer/ Alternate Corporate Information Officer	Aboitiz Power Corporation*
Director	Therma Central Visayas, Inc.
Chief Financial Officer/ Treasurer	Adventenergy, Inc.
	Adventpower, Inc. (Formerly: Aboitiz Energy Solutions, Inc.)
	Aboitiz Power Distributed Energy, Inc.

	Aboitiz Power Distributed Renewables, Inc.
Chief Financial Officer	Prism Energy, Inc.
Treasurer	Aboitiz Upgrade Solar, Inc.
	CELL Power Energy Corporation

** A publicly listed company*

Previous Positions:

Chief Financial Officer – Generation Business Group	Aboitiz Power Corporation
First Vice President – Head of Finance and Treasurer	First Coconut Manufacturing, Inc.
Vice President – Head of Finance and Treasurer	Atlantic Gulf & Pacific Company of Manila, Inc.
Vice President/ Group Financial Controller	Mediaquest Holdings, Inc.
Senior Auditor	KPMG Laya Mananghaya & Co.

Educational Background:

College	Bachelor of Science, Major in Accountancy De La Salle University, Manila

Ms. Bustamante is a Certified Public Accountant and a Stanford LEAD Professional. She is not connected with any Philippine government agency or instrumentality. She is not a director of any publicly-listed company in the Philippines.

**Ms. Bustamante was appointed as Senior Vice President – Deputy Chief Financial Officer/ Treasurer during the Company's November 26, 2024 Board meeting, replacing Ms. Veronica C. So who was the Group Treasurer.*

MANUEL ALBERTO R. COLAYCO
Senior Vice President - Chief Legal and Compliance Officer

Age: 55 years old
Citizenship: Filipino

Committee Memberships:

Ex-Officio Member	Board Environmental, Social, and Corporate Governance Committee *(since April 25, 2024)*

Present Positions:

Senior Vice President - Chief Legal, Regulatory, and Compliance Officer	Aboitiz Power Corporation*
Director	Aboitiz Power Distributed Energy, Inc.
	Aboitiz Power Distributed Renewables, Inc.
	Adventenergy, Inc.
	Prism Energy, Inc.
	Therma Mariveles Holdings, Inc.
Management Committee Representative	GNPower Mariveles Energy Center Ltd. Co.
Assistant Corporate Secretary	Chromite Gas Holdings, Inc.

** A publicly listed company*

Previous Positions:

Corporate Secretary	Aboitiz Power Corporation
Senior Vice President and Chief Legal Officer/ Corporate Secretary	Aboitiz Equity Ventures Inc.
General Counsel	AGP International Holdings Ltd.
	Atlantic, Gulf & Pacific Company of Manila, Inc.
Executive Director and Assistant General Counsel	J.P. Morgan Chase Bank N.A.
Vice President and Legal Counsel	DKR Oasis (Hong Kong) LLC
Associate	Skadden, Arps, Slate, Meagher & Flom, LLP
	Romulo Mabanta Buenaventura Sayoc & de los Angeles

Educational Background:

College	Bachelor of Arts in Economics Ateneo de Manila University, Manila
Graduate Studies	Juris Doctor Ateneo de Manila University, Manila
	Master of Laws New York University School of Law, New York, U.S.A.

He is a member in good standing of the Integrated Bar of the Philippines and of the New York State Bar. He is not connected with any Philippine government agency or instrumentality. He is not a director of any publicly-listed company in the Philippines.

MA. CLARISSE S. OSTERIA
Corporate Secretary

Age: 36 years old
Citizenship: Filipino

Committee Memberships:

None	N/A

Present Positions:

Corporate Secretary	Aboitiz Power Corporation*
Assistant Vice President for Governance and Compliance	
Corporate Secretary	Various Subsidiaries of the AboitizPower Group
Assistant Corporate Secretary	Various Subsidiaries of the AboitizPower Group

** A publicly listed company*

Previous Positions:

Assistant Corporate Secretary	Aboitiz Power Corporation
Corporate Secretary	RL Fund Management, Inc.
	RL Property Management, Inc.
Assistant Corporate Secretary	Altus Property Ventures Inc.
	Robinsons Land Corporation

Educational Background:

College	Bachelor of Arts in Journalism University of the Philippines – Diliman
Graduate Studies	Juris Doctor University of the Philippines – Diliman

She is a member in good standing of the Integrated Bar of the Philippines. She is not connected with any Philippine government agency or instrumentality. She is not a director of any publicly-listed company in the Philippines.

FRANCES KATRINA C. ARSUA
Assistant Corporate Secretary

Age: 32 years old
Citizenship: Filipino

Committee Memberships:

None	N/A

Present Positions:

Assistant Corporate Secretary	Aboitiz Power Corporation*
Corporate Governance and Legal Operations Manager	
Assistant Corporate Secretary	Visayan Electric Company, Inc.

** A publicly listed company*

Previous Positions:

Legal Business Administration Manager	Aboitiz Equity Ventures, Inc.

Educational Background:

College	Bachelor of Arts in Political Science University of Santo Tomas, Manila
Graduate Studies	Master's Degree in Business Administration Ateneo de Manila Graduate School of Business

She is an Associate Member of the Institute of Corporate Directors. She is not connected with any Philippine government agency or instrumentality. She is not a director of any publicly-listed company in the Philippines.

MARK LOUIE L. GOMEZ
Vice President for Enterprise Risk Management and Data Protection Officer

Age: 43 years old
Citizenship: Filipino

Committee Memberships:

None	N/A

Present Positions:

Vice President for Enterprise Risk Management and Data Protection Officer	Aboitiz Power Corporation*

** A publicly listed company*

Previous Positions:

Assistant Vice President – Enterprise Risk Management and Data Protection Officer	Therma Luzon, Inc.
Compliance Manager	AP Renewables, Inc.

Educational Background:

College	Bachelor of Arts in Political Science University of the Philippines – Diliman
Graduate Studies	Bachelor of Laws San Beda College of Law, Manila

He is a member in good standing of the Integrated Bar of the Philippines and a certified risk management professional. He is not connected with any Philippine government agency or instrumentality. He is not a director of any publicly-listed company in the Philippines.

MARK ANGELOU C. DINGLASAN
Chief Audit Executive*

Age: 34 years old
Citizenship: Filipino

Committee Memberships:

None	N/A

Present Positions:

Internal Audit Head/Chief Audit Executive	Aboitiz Power Corporation*

** A publicly listed company*

Previous Positions:

Audit Operations Head	Aboitiz Power Corporation
Audit Manager	
Audit Specialist	
Internal Auditor	
Internal Auditor	Security Bank Corporation

Educational Background:

College	Bachelor's Degree in Accountancy (With Honors) University of Batangas

He is a Certified Public Accountant, a Certified Internal Auditor, and a Lead Auditor for ISO/IEC 27001:2013 (Information Security Management Systems), ISO 22301:2012 (Business Continuity Management Systems), and ISO 9001:2008 (Quality Management Systems). Additionally, he is a Certified Asset Management Assessor by the Institute of Asset Management. He is not connected with any government agency or instrumentality. He is not a director of any publicly-listed company in the Philippines.

**On February 25, 2025, Mr. Mark Angelou Dinglasan was appointed as Chief Audit Executive replacing Mr. Juan Pascual Cosare.*

Period in which the Directors Should Serve

The directors shall serve for a period of one year.

Term of Office of a Director

Pursuant to the Company's Amended By-Laws, the directors are elected at each ASM by stockholders entitled to vote. Each director holds office until the next annual election, or for a term of one year and until his successor is duly elected, unless he resigns, dies, or is removed prior to such election.

Any vacancy in the Board, other than by removal or expiration of term, may be filled by a majority vote of the remaining members thereof at a meeting called for that purpose, if they still constitute a quorum. Otherwise, said vacancy must be filled by the stockholders or members in a regular or special meeting called for that purpose. The director so chosen shall serve for the unexpired term of their predecessor in office.

When the vacancy arises as a result of removal by the stockholders or members, the election may be held on the same day of the meeting authorizing the removal and this fact must be so stated in the agenda and notice of said meeting. In all other cases, the election must be held no later than 45 days from the time the vacancy arose. The director so chosen to fill a vacancy shall serve for the unexpired term of his/her predecessor in office.

When the vacancy prevents the remaining directors from constituting a quorum and emergency action is required to prevent grave, substantial, and irreparable loss or damage to the corporation, the vacancy may be temporarily filled from among the officers of the corporation by unanimous vote of the remaining directors. The action by the designated director shall be limited to the emergency action necessary, and the term shall cease within a reasonable time from the termination of the emergency or upon the election of the replacement director, whichever comes earlier.

Significant Employees

AboitizPower considers the contribution of every employee important to the fulfillment of its goals.

Family Relationships

Mr. Danel C. Aboitiz is the nephew of Messrs. Sabin M. Aboitiz and Erramon I. Aboitiz. Messrs. Erramon I. Aboitiz and Sabin M. Aboitiz are brothers.

Other than this, no other officers or directors are related within the fourth degree of consanguinity.

23 as of May 15, 2025

To the knowledge and/or information of AboitizPower, none of its nominees for election as directors, its present members of the Board, or its executive officers have been involved in any of the following during the past five years up to May 15, 2025:

(a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

(b) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

(c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his/her involvement in any type of business, securities, commodities or banking activities; and

(d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

Certain Relationships and Related Transactions

AboitizPower and its Subsidiaries (the "**Group**"), in their regular conduct of business, have entered into related party transactions consisting of professional fees, advances, various guarantees, construction contracts, and rental fees. These are made on an arm's length basis as of the time of the transactions.

AboitizPower (the "**Parent**") has provided support services to its Business Units, such as marketing, trading, billing and other technical services, necessary for the effective and efficient management and operations among and between the Subsidiaries and Associates.

The Group has existing Service Level Agreements (SLAs) with its parent company, AEV, for management fees and corporate center services such as tax compliance and information technology. These services are obtained from AEV to enable the Group to realize cost synergies and optimize expertise at the corporate center. AEV maintains a pool of highly qualified professionals with business expertise specific to the businesses of the Group. Transaction costs are always benchmarked on third party rates to ensure competitive pricing and consistency with prevailing industry standards. SLAs are in place to ensure quality of service.

Material and significant related party transactions are reviewed and approved by the Board Related Party Transactions Committee, composed of two independent directors and one non-Executive director.

No other transactions, without proper disclosure, were undertaken by the Company in which any director or executive officer, any nominee for election as director, any beneficial owner (direct or indirect) or any member of his immediate family was involved or had a direct or indirect material interest. Other than what has been discussed in this Preliminary Information Statement and the Company's 2024 Annual Financial Statements, there are no other related party transactions entered into by the Company with related parties, including transactions with directors or self-dealings by the Company's directors.

AboitizPower employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are brought to the attention of the management.

In 2021, AboitizPower updated the Related Parties Certification for Directors and Officers in compliance with the Bureau of Internal Revenue (BIR) Regulation No. 19-2020 on the reporting guidelines for the transactions of individuals and juridical entities with related parties. The Related Party Transaction (RPT) Committee continued to ensure that related party transactions are taken on an arm's-length basis, within market rates, and with sufficient documentation. Lastly, the RPT Committee ensured that RPTs falling below the SEC-defined materiality threshold are coursed through the appropriate levels of review, reporting, and/or approval process.

For detailed discussion on related party transactions, please refer to the Consolidated Financial Statements.

Parent Company

AboitizPower's parent company is AEV. As of March 24, 2025, AEV owns 53.09% of the voting shares of AboitizPower. In turn, ACO owns, as of March 24, 2025, 48.04% of the voting shares of AEV.

Resignation or Refusal to Stand for Re-election by Members of the Board of Directors

During a special meeting held on March 26, 2025, the Board of Directors of AboitizPower accepted Mr. Edwin R. Bautista’s resignation as a member of the Board of Directors, effective immediately.

CORPORATE GOVERNANCE

In 2024, the Aboitiz Group propelled itself into a new era navigating the unfolding chapters of its rich history with an unwavering commitment to *drive change for a better world by advancing business and communities.* As the organization embraced the *Great Transformation*, it strategically steered towards shaping a future where innovation stands as the cornerstone of its growth trajectory, aspiring to emerge as the Philippines' first *techglomerate*. Guiding this transformative journey are the boards of directors of AboitizPower, united in their firm belief that a robust corporate governance framework serves as the cornerstone for achieving the Group's strategic objectives and ambitious growth aspirations.

Notable accomplishments of the AboitizPower Board for 2024 are as follows:

- Reviewed and affirmed the appropriateness of the Group's purpose and brand promise in support of the country's gradual economic recovery.
- Reviewed and ensured the sufficiency of the internal controls system and enterprise risk management framework of AboitizPower.
- Authorized and held AboitizPower's Virtual Annual Stockholders' Meeting for the fifth consecutive year.
- Approved amendments to the various Board Committee Charters.
- Reviewed and approved the amendments to the Board Charter and Protocol to align internal processes with best practices.
- Reviewed and approved the key amendments to the Articles of Incorporation and By-Laws of AboitizPower.
- In addition to the Annual Corporate Governance Seminar, conducted regular virtual learning sessions to strengthen the continuous learning program for the Company's directors and officers.

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Shareholders Rights and Equitable Treatment

Safeguarding the rights of its stockholders stands as a cornerstone principle for the Company's governance practices. The primary objective is to guarantee the unfettered exercise of stockholder rights, fostering an environment where every shareholder, irrespective of the quantity of shares they own, can actively and freely participate in corporate decision-making processes. This dedication underscores not only a commitment to regulatory compliance but also a proactive approach in cultivating transparency, equity, and shareholder inclusivity within the Company's governance principles.

Among the rights of the Company's shareholders are: (i) to receive notices of and to attend shareholders' meetings; (ii) call for a special board meeting and propose a meeting agenda; (iii) to participate and vote on the basis of the one-share, one-vote policy; (iv) to vote in person, *in absentia*, or through proxy; (v) to ratify corporate actions; (vi) nominate, elect, remove, and replace Board members (including via cumulative voting); (vii) to inspect corporate books and records; (viii) to receive dividends; and (ix) to be timely and regularly informed of the state of the Company's businesses.

Right to Actively Participate at Shareholders Meetings

The Company strives to maintain a transparent, easily accessible, and fair conduct of its shareholders' meetings. The goal is to ensure that the shareholders are given accurate and timely information to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

The highlights and summary of the financial, non-financial, and operating performance of the Company and its Subsidiaries are contained in the Definitive Information Statement and the Annual Report, which are distributed prior to the ASM and made available in the Company's website. Shareholders are likewise provided with individual profiles of new and returning directors, as well as a summary of the Board and Board Committee's performance assessments, attendance record, compensation, and notable accomplishments for the year.

To enhance accessibility, notices for the Company's ASM, complete with quick response (QR) codes to the Definitive Information Statements, are published in two widely circulated newspapers not less than 21 days before the meetings.

The commitment to shareholder engagement is evident in the conduct of stockholder meetings, with notices provided not less than 28 days from the date of the meeting, containing all agenda items for discussion. The rationale of agenda items which are submitted to the shareholders for their approval are included in the notices to shareholders' meetings.

AboitizPower is committed to provide an accessible and convenient venue for its shareholders to exercise their basic and inviolable right to attend and participate at any shareholder meeting, including the opportunity to elect their representatives to the Boards of Directors and ratify corporate actions. In 2024, AboitizPower conducted a fully digital stockholders' meeting for the fifth consecutive year. Shareholders were given the opportunity to cast their votes through non-traditional means such as remote communication or *in absentia*. Shareholders may access AboitizPower's online voting portal in order to register and vote on the matters submitted for shareholders' approval at any stockholder meetings.

All shareholders are encouraged to actively participate during meetings. They are allowed to raise their concerns, ask questions, and comment on the state of the Company's business during meetings through the ASM online portal or live if time permits. There are no barriers or impediments preventing shareholders from consulting or communicating with one another, with the Directors, and with the Corporate Secretary.

The questions, answers, issues and motions raised, the agreements and resolutions arrived at, the corporate acts approved or disapproved, and the voting results are reported in the minutes and are made publicly available by the next working day through the Company's website under the Investors' page. The Company also discloses to PSE, PDEx, and the SEC all the items approved at the shareholders' meeting no later than the next business day.

The Company continues to exert efforts to extend the communication channels between the Company and the institutional and individual stockholders through its Investor Relations Office and Shareholder Relations Office, respectively.

Right to Receive Dividends

The right to receive dividends is a basic shareholder right. The Company promotes this basic shareholder right by adopting a clear and transparent dividend policy.

Every year, the Company pays dividends in an equitable and timely manner. All shareholders are treated equally, receiving an amount of dividends per share that is proportionate to their shareholdings. The period for payment of dividends is based on trading requirements or constraints of the SEC and PSE. In 2024, AboitizPower paid the cash dividends within 22 days from the declaration date.

In the last three (3) years, the Company has paid the following dividends:

AboitizPower	2025	March 6, 2025	March 21, 2025	March 28, 2025	₱2.35 (regular)	₱16.94 bn
	2024	March 5, 2024	March 19, 2024	March 26, 2024	₱2.30 (regular)	₱16.57 bn
	2023	March 3, 2023	March 17, 2023	March 30, 2023	₱1.87 (regular)	₱13.76 bn

Lastly, AboitizPower's Board Secretariat has adopted certified Board protocols and procedures under the ISO 9001:2015 Management Board and System to ensure the effectiveness of Board and shareholders' commitments. This includes coordination with stock transfer agents to ensure appropriate responses to and timely resolution of shareholders' queries and requests.

For a more detailed discussion on the rights of the shareholders of the Company, please refer to the 2024 Consolidated Annual and Sustainability Report, the 2024 Integrated Annual Corporate

Governance Report (IACGR), and the Governance page of the AboitizPower website, which will be available at *www.aboitizpower.com* on or before May 30, 2025.

Board of Directors

The Board leads the Group's corporate governance framework. Independent from management, its members are committed to serve and promote long-term success, and to secure the Group's sustained growth, competitiveness and sustainability. The Directors perform the crucial role of articulating and assessing the Group's purpose, vision and mission, and strategies to carry out its objectives. They ensure that the strategic business direction of the Group's businesses are soundly established and are in line with the overall Group's goals and strategy. In line with best practices, the members of the Board are responsible for establishing and monitoring the Group's commitment to the principles embodied in ESG. In performing these functions, the members of the AboitizPower Board, individually and collectively, are expected to act consistently with the Aboitiz core values.

The AboitizPower Board is composed of nine members, all of whom come from diverse professional backgrounds. They are composed of legal and finance professionals, engineers, former or current Chief Executive Officers/Chief Operating Officers, auditors, and accountants. Many of them have management experience in the private and Government sectors, as well as in multilateral agencies.

In 2024, the AboitizPower Board had two Independent Directors, six Non-Executive Directors, and one Executive Director. The Chairman of the AboitizPower Board, Mr. Sabin M. Aboitiz, is a highly experienced Non-Executive Director. As a Non-Executive Director, he is not involved in the Company's day-to-day operations, which enables him to focus on ensuring that the AboitizPower Board properly discharges its duties and responsibilities.

The AboitizPower Board appointed Mr. Cesar G. Romero as Independent Director, and Mr. Eric Ramon O. Recto as the Company's Lead Independent Director and Vice Chairman of the Board. Mr. Romero was also the Chairman of the ESCG Committee (also functions as the Nomination and Selection Committee) to ensure an independent and transparent nomination, selection, election, and performance assessment process of the Board.

As of December 31, 2024, the members of the AboitizPower Board were the following:

ABOITIZ POWER CORPORATION'S BOARD OF DIRECTORS					
Director (Age, Nationality)	**Designation/ Directorship**	**Year First Elected**	**Tenure**	**Board and Committee Memberships and % of Attendance for 2024**	**Directorships in Other Listed Philippine Companies Outside the Aboitiz Group**
SABIN M. ABOITIZ 60 years old Filipino	Chairman of the Board (NED)	April 26, 2021	3 years	(C) BOD (100%) (C) Risk (75%) (M) ESCG (100%) (M) ExCom (n.a) (M) Cyber (100%)	None
ANTONIO A. CANOVA 63 years old American	Non-Executive Director	July 1, 2024	8 months	(M) BOD (100%) (M) Audit (100%) (M) ExCom (n.a)	None
CESAR G. ROMERO 59 years old Filipino	Independent Director	October 1, 2022	2 years	(ID) BOD (100%) (C) ESCG (100%) (M) Audit (100%) (M) Risk (100%) (M) RPT (100%) (M) Cyber (100%)	1. Robinsons Retail Holdings, Inc. 2. Aboitiz Equity Ventures Inc.

DANEL C. ABOITIZ 43 years old Filipino	President and Chief Executive Officer (ED)	December 11, 2018	6 years	(M) BOD (100%) (C) ExCom (n.a.) (M) ESCG (100%) (M) Risk (100%)	None
EDWIN R. BAUTISTA[17] 64 years old Filipino	Non-Executive Director	April 26, 2021	3 years	(M) BOD (100%) (M) ESCG (100%)	Union Bank of the Philippines
ERIC RAMON O. RECTO 61 years old Filipino	Vice-Chairman (NED) and Lead Independent Director	May 21, 2018	6 years	(VC) BOD (100%) (M) ESCG (100%) (C) Audit (100%) (M) Risk (100%) (C) RPT (100%) (C) Cyber (100%)	1. Philippine Bank of Communications (C) 2. Atok-Big Wedge Co., Inc. (C) 3. DITO CME Holdings Corp. 4. PH Resorts Group Holdings, Inc. 5. Manila Water Company, Inc. 6. PXP Energy Corporation
ERRAMON I. ABOITIZ 68 years old Filipino	Non-Executive Director	August 22, 2024	9 months	(M) BOD (90%) (M) Audit (100%) (M) ExCom (n.a.)	1. Aboitiz Equity Ventures Inc. 2. Union Bank of the Philippines (C)
IZUMI KAI 50 years old Japanese	Non-Executive Director	August 15, 2023	1 year	(M) BOD (100%) (M) ESCG (100%) (M) Audit (100%)	None
TOSHIRO KUDAMA 66 years old Japanese	Non-Executive Director	December 22, 2021	3 years	(M) BOD (100%) (M) Risk (100%) (M) ExCom (n.a.) (M) RPT (100%)	None

Legend: C- Chairman; VC – Vice Chairman; M – Member; ID - Independent Director; NED - Non-Executive Director; ED - Executive Director; BOD - Board of Directors; ESCG - Board Environmental, Social, and Corporate Governance Committee; ExCom - Board Executive Committee; AudCom - Board Audit Committee; Risk - Board Risk and Reputation Management Committee; RPT - Board Related Party Transactions Committee; Cyber - Board Cybersecurity and Information Security Committee.

Board Performance

In 2024, the members of the AboitizPower Board conducted the following performance review and assessment:

Type of Assessment	Respondents and Scope	Criteria
Director Assessment Completed: February 2024	**Respondents:** Members of the Board **Scope:** Individual and the collective performance of the members of the Board and Board Committees.	(1) compliance with best governance practices and principles; (2) participation and contribution to the Board and Board Committee meetings; and (3) performance of their duties and responsibilities as provided in the Company's Revised Manual, Charters, Amended Articles of Incorporation, and Amended By-Laws.
Key Officers Evaluation Completed: November 2024	**Respondents:** Non-Executive Directors	

[17] Mr. Edwin R. Bautista resigned as a Director of the Company, effective March 26, 2025.

	Scope: Chairman, Chief Executive Officer, Internal Audit Head, Risk Officer, Corporate Secretary, and Compliance Officer	
Board and Committee Charter Assessment Completed: November 2024	**Respondents:** Board and Committee Members	(1) membership and composition; (2) duties and responsibilities; (3) conduct of meetings; and (4) support and resources

In addition, the Corporate Governance Code requires that at least once in every three (3) years, the conduct of the Board performance assessment must be supported by an independent third-party facilitator. AboitizPower complied with this requirement in 2023 with the engagement of the Institute of Corporate Directors (ICD), a non-stock, not-for-profit national association of corporate directors and other stakeholders engaged in corporate governance, to support its Board performance assessment exercise.

Board Committees

The different Board committees - Audit, Corporate Governance (now Environmental, Social, and Corporate Governance), Risk and Reputation Management, Related Party Transactions, Executive Committee, and the Cyber and Information Security Committee - report regularly to the Board and are crucial in maintaining Board oversight in key management areas.

The mandate of each Board committee, including key accomplishments in 2024, are described below:

a. The **Board Environmental, Social, and Corporate Governance Committee** is responsible for ensuring the establishment of a governance mechanism that promotes sustainability practices through proper environmental stewardship, social development, and sound corporate governance. The ESCG Committees also perform the functions of the Nomination and Remuneration Committees. In carrying out their duties and responsibilities, the ESCG Committee is supported by the company's Compliance Officer, Chief External Relations Officer, as well as the Group Chief Human Resources Officer. These officers regularly attend committee meetings to act as resource persons. The chairmen of the ESCG Committees are the Lead Independent Directors.

Key Areas of Focus in 2024	
Environmental and Social	- Approved the Company's ESG Roadmap and Sustainability Ambition. - Monitored the progress of the ongoing ESG Activities.
Compliance	- Reviewed and monitored the AboitizPower's compliance with new laws and regulations. - Ensured that the nomination, selection, remuneration, and assessment of each company's directors and officers are aligned with the Manuals.
Corporate Governance	- Reviewed and endorsed for Board approval the proposed amendments to the ESCG Committee's Charter to clarify the committee's role as the primary advisory and exploratory body that endorses to the Board of the Directors general strategies with respect to material, current, and emerging ESG and other similar matters that affect the Company. - Reviewed and monitored the status of whistleblowing reports.
Nomination and Compensation	- Approved the final list of nominees for directors for election after reviewing all the qualifications and none of the disqualifications as provided in the By-Laws, Revised Manuals, and other relevant SEC rules. - Reviewed the qualifications of all persons nominated to appointed positions by the Board. - Reviewed the Group's merit increase guidelines.

b. The **Board Audit Committee** represents the Board in discharging its responsibility related to audit matters for the Group. Independent and Non-Executive Directors comprise the majority of the members of the Board Audit Committee, including its Chairman. At the end of every Audit Committee meeting, Committee Members meet without the presence of any executives.

Key Areas of Focus in 2024	
Governance	- Reviewed and endorsed for Board approval the proposed amendments to the Board Audit Committee Charter to reflect necessary changes to the composition of the committee and to align with the amended Board Protocol.
Financial Reports	- Reviewed, discussed, and approved for public disclosure the 2024 quarterly unaudited consolidated financial statements. - Endorsed for approval by the full Board the 2023 annual audited financial statements of AboitizPower, its subsidiaries and affiliate.
External Auditors	- Reviewed the performance of SGV as AboitizPower's external auditor. - Endorsed to the Board the appointment of SGV as AboitizPower's External Auditor for 2024. - Reviewed and approved the overall scope and audit plan of SGV. - Reviewed and approved the audit plan, fees and terms of engagement which cover audit and non-audit services provided by SGV.
Internal Auditors	- Reviewed and approved the annual audit program for 2024 which also covers the adequacy of resources, qualifications and competency of the staff and independence of the internal auditor. - Reviewed the Internal Auditor's evaluation of internal controls. - Reviewed sample CAPEX transactions to help ensure process integrity and promote continuous improvement. - Confirmed that the internal audit function is executed effectively and internal auditors have conducted their responsibilities objectively and in an unbiased manner.

c. The **Board Risk and Reputation Management Committee** represents the Board in discharging its responsibility relating to risk and reputation management related matters for the Group. In 2023, the Board Risk and Reputation Committee updated its charter to continually identify, monitor, and manage the Group's top risks.

Key Areas of Focus in 2024	
Governance	- Continued alignment of the top-down approach through the key portfolio risks to strategic risk identification, where risks are identified at the 1AP Management Committee level, and the bottom-up approach of risks identified from the AboitizPower business and corporate service units. - Operationalized setting the risk appetite and risk tolerance (key risk indicators) for key portfolio risks through consultation with the Management Committee and Board Committee members. - Reviewed and endorsed for Board approval the proposed amendments to the Board Risk and Reputation Committee Charter to reflect necessary changes to the committee's composition and to align with the amended Board Protocol.
Risk Planning	- Regularized the "Risk in Focus" segment in the agenda to discuss strategically relevant key portfolio risks with inputs from the subject matter and industry experts. - Regularized Learning Sessions segment in the agenda to reinforce board learning of key and foundational risk management concepts and practices. - Invited a resource speaker to provide the Committee information on the latest currency risks from global key markets, and its possible effects and risks to AP from an outside perspective. - Reviewed and discussed AboitizPower Group's Mid-Year and Year-End Top Risks report where project risks and country concentration risks, respectively, took the top spot.
Risk Finance	- Shared best practices and key strategic initiatives with the other SBUs of the Aboitiz Group which were instrumental to the achievement of the annual insurance cost of AboitizPower. - Incorporated AboitizPower's own insurance captive to retain underwriting profit and drive risk management across the entire Group.
Reputation	- Discussed results of AboitizPower's Reputation ID Score and PR Value for the year 2024 including the key activities that led to the changes of both figures.

d. The **Board Related Party Transaction Committee** represents the Board in discharging its responsibility to ensure that related party transactions are taken on an arms' length basis and within market rates, with sufficient documentation, and coursed through all appropriate and necessary levels of approval.

Key Areas of Focus in 2024	
Governance	- Reviewed and endorsed for Board approval the proposed amendments to the Board RPT Committee Charter to align with the amended Board Protocols on the deadlines for submission of materials.
RPT Policy and Committee Charter	- Conducted the annual review of AboitizPower's RPT Policies to further strengthen the process of reviewing, reporting, and (if necessary) approving RPTs, particularly those falling below the SEC-defined materiality threshold.
Completion of RPT Certification	- Monitored the compliance of AboitizPower with the reportorial requirements of the BIR.
Fairness of RPTs	- Continued to ensure that RPTs are taken on an arm's-length basis and within market rates, with sufficient documentation, and coursed through the appropriate levels of approval.

e. The **Executive Committee** assists the Board in overseeing day-to-day operations of the Company. The Committee ensures agility in the management of the Company and in strategic decision-making, as well as compliance with the Company's governance policies, during the intervening period between Board meetings. Due to the monthly Board meetings during 2024, no meetings of the Executive Committee were held.

f. The **Board Cyber and Information Security Committee** assists the Board in providing strategic direction and ensuring the establishment of a system of governance (processes, policies, controls and management) for the Company and its strategic business units on matters relating to information security and cybersecurity. In 2024, the AboitizPower Cyber Committee was composed of two non-executive director and one independent director who also served as the chairman of the committee.

Key Areas of Focus in 2024	
Governance	- Reviewed and endorsed for Board approval the proposed amendments to the Board CIS Committee Charter to align with the amended Board Protocols.
Organizational	- Completed AboitizPower's Cyber and Information Security Organization based on the approved functional structure.
Cybersecurity Strategy	- Released the revised OT minimum security standard aimed at establishing OT relevant baseline security controls. - Established foundational cybersecurity governance policies, guidelines and procedures. - Intensified security awareness activities through the use of digital platforms and systems. - Established channels to better communicate and collaborate cybersecurity-related matters. - Engaged in an innovative and proactive way of discovering and resolving weaknesses/vulnerabilities in our digital environment. - Conducted comprehensive OT-specific tabletop exercises aimed at increasing AP BUs' preparedness to manage or handle OT cybersecurity incidents. - Engaged external parties to conduct OT security assessment to identify vulnerabilities, risks and areas of improvement, assess cybersecurity posture and ensure compliance against internal policies and industry standards. - Engaged a consolidated IT & OT Managed Detection & Response (MDR) service including incident Response Retainership (IRR).
Cybersecurity Risks	- Adopted the globally recognized MITRE Attack framework for ICS to systematically identify and quantify potential vulnerabilities in our OT environments, improving our threat detection and incident response capabilities, and overall OT risk management.

For a more detailed discussion on the AboitizPower Board and Board Committees matters, please refer to the 2024 Consolidated Annual and Sustainability Report, the 2024 IACGR, and the Governance page of the AboitizPower website, which will be available at *www.aboitizpower.com* by May 30, 2025.

GOVERNANCE PRACTICES

Compliance with Governance Policies

AboitizPower has a Revised Manual and a Code of Ethics and Business Conduct ("**Code of Ethics**") to guide the attainment of its corporate goals and the implementation of its strategies. The Revised Manual is generally aligned to the principles and recommendations laid down by the SEC under the Corporate Governance Code for Publicly-Listed Companies to further strengthen the Company's corporate governance practices. The Board regularly reviews the Revised Manual to ensure that the same remains relevant and responsive to the needs of the organization. Any amendments to the Revised Manual are promptly submitted to the SEC for confirmation and approval.

The Revised Manual is supported by various company policies that are regularly reviewed and issued by the Board including the Code of Ethics. AboitizPower ensures that its Code of Ethics is cascaded to new team members as part of their onboarding processes. Team members are also required to review the Code of Ethics and to sign an affirmation that they have read and understood the same. In order to support this annual exercise, an e-learning module on the Group's Code of Ethics was developed and is rolled out every year. As part of the Group's commitments in the Code of Ethics, all team members are expected to act professionally, fairly, and with integrity in all of their business dealings, and to comply with all applicable laws and regulations, including those against bribery and corruption.

The Chief Compliance Officer, together with the Human Resources Department, regularly monitors and evaluates compliance by the Board, management, and employees with the Revised Manual, the Code of Ethics, other company policies, and existing laws and regulations. The Chief Compliance Officer also ensures the implementation of AboitizPower's policy against conflicts of interests and the misuse of confidential and proprietary information throughout the organization.

The Chief Compliance Officer regularly reports the Company's compliance status with existing laws and regulations, as well as the Board's, management's and employees' compliance with internal governance policies to the Board ESCG Committee.

In addition, the Company has a Whistleblowing Policy to support the implementation of the Revised Manual and the Code of Ethics. Through this policy, allegations of violations of the Revised Manual, the Code of Ethics, or of other illegal conduct can be reported through an independent whistleblowing portal. Matters reported through the whistleblowing platform are discussed by the Board ESCG Committee and, if necessary, escalated to the entire Board.

There are no major deviations from the Revised Manual as of the date of this report. There were no corruption-related incidents reported in 2024.

For a full discussion on the Company's corporate governance initiatives, please refer to the 2024 Consolidated Annual and Sustainability Report, the 2024 IACGR, and the Governance page of the AboitizPower website which will be available at *www.aboitizpower.com* by May 30, 2025.

Disclosure and Transparency

Pursuant to its commitment to transparency and accountability, AboitizPower's website, *www.aboitizpower.com* has its own dedicated corporate governance webpage which serves as a resource center and library for its stakeholders. AboitizPower also publishes a consolidated Annual and Sustainability Report and IACGR on its website at *www.aboitizpower.com.*

SUSTAINABILITY AND ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) PRACTICES

The Aboitiz Group's adherence to sustainable business practices and social responsibility is key to its success story for the past 100 years. Today, AboitizPower's ESG thrust address balancing business growth with sustainability initiatives. It does so by accounting for the impact of its activities on people, planet, and prosperity, and with a view of its long-term implications. In replicating this success for future generations, AboitizPower intends to strengthen its ESG standards and practices by reinforcing its purpose of "Transforming Energy for a Better World" and taking advantage of emerging technologies and innovations as the Aboitiz Group undertakes its "Great Transformation" into the Philippines' first techglomerate.

Indices and Ratings

AboitizPower's efforts "to drive change for a better world by advancing business and communities" continue to be recognized by various independent ESG assessors. S&P Global accorded the Company a score of 50 in its 2024 Corporate Sustainability Assessment (CSA), a one-point increase versus the previous year. The Company is positioned at the 75th percentile among its global peers in the Electric Utilities industry, showing strong performance in the areas of Labor Practices, Privacy Protection and Information Security/Cybersecurity & System Availability, Privacy Protection, and marked improvements in the areas of Market Opportunities, Materiality, and overall Environmental Dimension.

In the Sustainalytics ESG Risk Ratings, the Company remains in the medium risk category at 27.3. According to the report, despite the Company's high exposure to various ESG risks, its strong management kept its risk rating at a medium level, especially in Environmental Management, Health and Safety Management Systems, and improvements in the performance of Carbon Intensity.

Following the FTSE4Good Index Series Quarterly Review in September 2023, AboitizPower was delisted from the FTSE4Good Index Series as the Company was ineligible from the FTSE All-World Index. Despite this, FTSE Russell continues to assess the Company annually and gave an ESG score of 3.4 in 2024, 0.4 points higher than the previous year. The increase in score was due to improvement In Risk Management and Pollution & Resources.

For the third year in a row, the Company was awarded a Golden Arrow Award in September 2024, which marks its compliance with corporate governance standards and favorable standing with international best practices. The Company received a 3-arrow recognition garnering a score of 107.11 out of a possible 130 in the 2023 ASEAN Corporate Governance Scorecard (ACGS) assessment for publicly listed companies.

Focus Areas

AboitizPower's Sustainability focus on "people, planet, and prosperity" is inspired by its core values of integrity, teamwork, innovation, responsibility, and service excellence. It promotes inclusive growth by integrating its stakeholders - communities, customers, team members, and shareholders - into its sustainable enterprise of creating long-term equitable value. Balanced with a vital social component and healthy environmental practices, prosperity is critical to building a sustainable business for future generations.

To support the DOE's goal of having a 35% share of renewables in the country's energy mix by 2030, and 50% by 2050, AboitizPower aims to grow its portfolio of generation assets with renewables and select baseload builds. The Company seeks to increase its renewable group's (collectively, the "**Cleanergy**") significantly by 2030 from indigenous energy source – solar, hydro, geothermal, and wind. With its diversified fleet of Cleanergy assets, AboitizPower will contribute to addressing the energy trilemma of energy security, energy equity, and energy sustainability in the country. AboitizPower strives to provide a reliable and ample power supply at reasonable and competitive prices while considering social development and environmental stewardship.

As part of the Aboitiz Group's initiative to become the Philippines' first techglomerate by 2025, AboitizPower utilizes technology, including data science and artificial intelligence, to improve production, services, and processes. This transition will also involve empowering team members by embedding a robust entrepreneurial mindset and spirit as they are exposed to the opportunities of a more modernized, inclusive, and technology-driven organization.

The Company has progressed in the following focus areas: team member engagement and development, corporate social responsibility (CSR), disaster resilience, carbon emissions reduction, resource efficiency, renewable energy, waste management, financial growth, and financial returns. Other focus areas on its ESG reports include Occupational Health and Safety (OHS), diversity and inclusion, corporate governance, biodiversity and conservation, risk management, and ISO certification.

AboitizPower conducts a report in compliance with the sustainability reporting initiatives of its parent company, AEV. Currently, AboitizPower is compliant with AEV's sustainability reporting initiatives. Its report has been prepared following the GRI Standards: Core Option, and its key performance indicators are aligned with the United Nations Sustainable Development Goals (SDGs).

United Nations Sustainable Development Goals

The Aboitiz Group acknowledges the interconnectedness of the United Nations (UN) 17 SDGs, recognizing it as a shared blueprint for peace and prosperity for people and the planet. The UN SDGs guide the organization's efforts towards poverty reduction, education, climate change, responsible consumption, disaster preparedness, technological innovation, and institutional partnership. In 2020, the Aboitiz Group became a member of the United Nations Global Compact (UNGC), and is currently a member of the Board of Trustees of UNGC's Global Compact Network Philippines (GCNP).

AboitizPower has made significant contributions to UN SDG 7 or Affordable and Clean Energy, through its offering and aggressive expansion of Cleanergy and selective building of baseload capacities. As of the end of 2024, the Company has a total net sellable capacity of 1,486 MW of renewable energy. It intends to continue providing accessible, affordable, and environmentally sustainable energy that accommodates the country's growth aspirations.

AboitizPower is submitting its Sustainability Report through the consolidated report that its parent company, AEV, publishes annually. AEV began publishing its Sustainability Report in 2009.

Sustainable Investments

Supporting the Philippine government's ambition for the nation's energy mix, AboitizPower has indicated its goal to grow RE capacity with projects in solar, wind, geothermal, hydro, and battery energy storage systems in the coming years.

In January 2024, the 24-MW Magat BESS operated by SN Aboitiz Power-Magat, a joint venture of Scatec and AboitizPower, commenced commercial operations in the country's reserve market. The Magat BESS, which utilizes liquid-cooled lithium-ion batteries, is co-located with SN AboitizPower-Magat's hydroelectric power plant in Ramon, Isabela.

In January 27, 2025, the Company through its Subsidiary, Therma NatGas Power Inc. ("**TNGP**"), acquired a 40% equity interest in Chromite Gas Holdings, Inc. ("**CGHI**"). . The transaction involved: a.) CGHI's acquisition of a 67% equity interest in South Premier Power Corp. ("**SPPC**"), Excellent Energy Resources, Inc. ("**EERI**"), and Ilijan Primeline Industrial Estate Corp. ("**IPIEC**"), and b.) CGHI and San Miguel Global Power Holdings Corp. ("**SMGP**") joint acquisition of approximately 100% of Linseed Field Corp., which operates the LNG Terminal in Batangas City.

ARI, the Company's renewable energy arm, announced in May 2024 the full dispatch of the 159-megawatt peak (MWp) Laoag Solar Power Plant in Aguilar, Pangasinan, to provide additional capacity to the grid.

Moreover, ARI energized the 45-MWp Armenia Solar Project in Tarlac in late November, marking its first solar power plant in Central Luzon. The Company also activated the 173 MWp Calatrava Solar Project in Negros Occidental, making it the fifth energized solar facility of the Company and the largest capacity thus far in its growing solar generation portfolio.

Corporate Social Responsibility

In fulfilling the triple bottom line framework of “people, planet, and prosperity,” AboitizPower and its Business Units realize their aspirations to “advance business and communities” through the Aboitiz Group’s social development arm, Aboitiz Foundation, Inc. (Aboitiz Foundation). As a partner in nation building, AboitizPower extends educational scholarships, cooperative assistance programs, environmental campaigns, and corporate social responsibility (CSR) activities to its partner communities. Keeping with its framework and aspirations, the Company, via the Aboitiz Foundation and its Business Units’ direct funds, invested a total of ₱235 mn in CSR projects and initiatives to support its partner communities in 2024. Broken down, this consisted of ₱50.1 mn for future leaders' programs (e.g. educational scholarship), ₱78.2 mn for enterprise or livelihood programs, ₱12.4 mn for climate action, ₱71.5 mn for disaster resilience, and ₱23.1 mn for other initiatives.

AboitizPower continues to assist its partner communities by complying with Energy Regulations No. 1-94 (ER 1-94) Program. The aforementioned program is a policy under the DOE Act of 1992 and the EPIRA, which stipulates that host communities will get a share of one centavo for every kilowatt-hour (₱0.01/kWh) energy sold by power plants operating in its area. Host beneficiaries can use the funds generated for the electrification projects, development, and livelihood programs, reforestation, watershed management, health, and environmental enhancement initiatives. AboitizPower generated approximately ₱78 mn worth of ER 1-94 funds in 2024 to benefit about 150 host beneficiaries across the country.

Beyond Compliance

a. A-Park Program

   The A-Park Program is the Aboitiz Group’s partnership with the Ramon Aboitiz Foundation Inc., Philippine Business for Social Progress, and the carbon sink program of TSI and TVI, as part of the Enhanced National Greening Program of the DENR. As the most prominent tree-growing initiative, it has resulted in the planting of as much as 12 mn trees, with about 300,000 trees planted by team member volunteers all over the archipelago in 2021. Of the 12 mn trees, AboitizPower contributed 5 mn from its tree-planting initiatives. Between 2016 to 2024, the Company has planted over 2.6 mn trees in 6,225 hectares.

b. Aboitiz Cleanergy Park

   The Aboitiz Cleanergy Park, located in Davao City, serves as a sanctuary and safe nesting ground for the critically endangered Hawksbill sea turtles (*Eretmochelys imbricata*), as well as to more than 100 species of endemic and migratory birds, and marine species. The eight-hectare park actively promotes decarbonization in an urban area via habitat conservation and biodiversity management, showcasing a mangrove reforestation site, nursery, and botanical garden for the propagation of 29 native tree species. Since 2014, the park has already released more than 11,508 hatchlings to the sea, planted 27,003 mangroves, and rescued 31 *pawikans*. The DENR has designated it as the Pawikan Rescue Center of Davao City.

c. Cleanergy Center and Energy Education Resource Center

   Located at the Makiling-Banahaw Geothermal Complex of APRI, the Cleanergy Center is an educational facility that upholds the Aboitiz Group’s advocacy for renewable energy education - the first of its kind in the country. Launched in August 2013, the Center has audiovisual presentations, interactive displays, and a working geothermal power plant tour. It has since accommodated close to 65,531 local and foreign visitors.

   Meanwhile, the Energy Education Center is a public facility at TSI’s Davao baseload power plant that teaches electric power generation via interactive scale models and displays of the Philippine energy sector and various advanced technologies, as well as an overview of the power plant’s 300 MW operations. Since its inauguration by TSI and the Aboitiz Foundation in May 2016, it has welcomed about 5,290 visitors.

d. Building Resilient Infrastructure and Communities through Kaibigans (B.R.I.C.K) Hubs

The Building Resilient Infrastructure and Communities through Kaibigans (B.R.I.C.K) Hub is a project that produces eco-bricks incorporating ash by-products from AboitizPower's power generation plants and community plastic wastes to the Company's community partners in Barangays Binugao and Inawayan in Davao and Toledo City, Cebu. The ash and plastics are upcycled into high-value pavers and bricks that are nine times stronger than a typical hollow block brick. Aside from providing livelihood opportunities, it promotes solid waste management, supports resilient infrastructure, and reduces the Company's environmental footprint. The project collaborates AboitizPower Business Units, TSI and TVI, with Green Antz Builders, Inc., United Kaibigan Multipurpose Cooperative (UKC), and Income Credit Cooperative (ICC). In 2024, the TVI Hub produced 14,000 bricks, utilizing 90,500 kgs. of fly ash from the power plant and 8,000 kgs of plastics from the community.

e. #BetterTogether Talks

Launched in 2021, the #BetterTogether series was created to improve its team members' knowledge and appreciation of Sustainability and different ESG topics and issues that impact the Company and its stakeholders. External subject matter experts are invited as speakers to enrich the discussion on the various sustainability concerns, and a few team member experts also join the panel discussions. In 2024, the learning discussions focused on ESG trends and dynamics, land restoration, occupational health and safety, and the International Financial Reporting Standards (IFRS).

f. Diversity, Equity, Inclusion and Belongingness (DEIB)

AboitizPower's diversity and inclusion campaign has focused on communicating merit primacy above gender, sexual orientation, age, religion, nationality, or ethnic background. In 2023, the Company advanced its advocacy in this area by releasing a DEIB Policy that recognizes its importance in the workplace and that the Company will ensure all of its employees are valued, protected, and celebrated. AboitizPower also partnered with organizations such as the Philippine Financial & Inter-Industry Pride ("PFIP") and the Philippine Business Coalition for Women Empowerment ("PBCWE") to learn and improve practices for DEIB. In February 2024, the Company supported LGBTQ+ college leaders through the PFIP's 'Rainbow Youth Academy,' where the Company funded school fees, book, and digital tools for the student's education. The Company affirmed its support for diversity and inclusivity in the workplace by participating in the Pride March Festival at the Quezon Memorial Circle for the second year.

g. Sitio Electrification Program

The Philippine government's Sitio Electrification Program aims to electrify all barangays in the country. AboitizPower and its Subsidiaries have assisted the government with this program. In 2024, Visayan Electric delivered electricity to Barangay Bairan, a hilltop community located in the remote area of Naga City, Cebu. While in Davao City, Davao Light electrified Barangay Lumiad, a far-flung area. By supporting the government, the Company connects more isolated areas to the power grid and contributes to the country's economic development and poverty reduction.

h. Other Initiatives

As part of its efforts to reduce carbon emissions and improve climate change resilience, AboitizPower and its Subsidiaries took part in many other initiatives. These include tree planting, watershed projects, adoption of protected areas, such as rivers and *esteros*, coastal and river clean-ups, and Philippine Eagle Adoption.

EXECUTIVE COMPENSATION

Information as to the aggregate compensation paid or accrued to AboitizPower's Chief Executive Officer and four most highly compensated executive officers, as well as other directors and officers during the last two completed fiscal years and the ensuing fiscal year, are as follows:

Name of Officer and Principal Position*	Year	Salary	Bonus	Other Compensation
Chief Executive Officer and the Four Most Highly Compensated Executive Officers: 1. **DANEL C. ABOITIZ*** - *President and Chief Executive Officer* 2. **EMMANUEL V. RUBIO*** - *Former President and Chief Executive Officer* 3. **JUAN ALEJANDRO A. ABOITIZ** - *Senior Vice President/ Chief Financial Officer/Corporate Information Officer* 4. **MANUEL ALBERTO R. COLAYCO** - *Senior Vice President – Chief Legal and Compliance Officer* 5. **MA. RACQUEL J. BUSTAMANTE** - *Treasurer/Senior Vice President – Deputy Chief Financial Officer* 6. **MARK LOUIE M. GOMEZ** - *Data Protection Officer and Vice President for Risk and Operational Performance Management*				
All above named officers as a group	**Actual 2024**	**₱160,068,196**	**₱14,314,182**	**₱8,693,470**
	Actual 2023	₱117,580,000	₱6,080,000	₱22,330,000
	Projected 2025	₱100,884,120	₱20,680,871	₱7,696,164
All other officers and directors as a group	**Actual 2024**	**₱9,230,818**	**₱1,284,420**	**₱579,103**
	Actual 2023	₱3,090,000	₱280,000	₱34,600,000
	Projected 2025	₱3,725,165	₱531,300	₱258,385

**Mr. Danel C. Aboitiz was appointed as President and Chief Executive Officer, replacing Mr. Emmanuel V. Rubio, effective July 1, 2024.*

The 2020 Amended By-Laws of the Company, as approved by the Securities and Exchange Commission (SEC) on October 1, 2020, defines corporate officers as follows: the Chairman of the Board, the Vice Chairman, the Chief Executive Officer, the Chief Operating Officer, the President, the Treasurer, the Corporate Secretary, the Assistant Corporate Secretary, and such other officers as may be appointed by the Board of Directors. For the year 2024, the Company's Summary of Compensation of Executive Officers covers the compensation of officers as reported under Item 5 (a)(1) of the Information Statement.

Except for the regular company retirement plan, which by its very nature will be received by the officers concerned only upon retirement from the Company, the above-mentioned officers do not receive any other compensation in the form of warrants, options, and/or profit-sharing.

There is no compensatory plan or arrangement between the Company and any executive in case of resignation or any other termination of employment or from a change-in-control of the Company.

COMPENSATION OF DIRECTORS

Standard Arrangements

AboitizPower directors receive a monthly allowance of ₱150,000.00, while the Chairman of the Board receives a monthly allowance of ₱200,000.00. In addition, each director/member and the Chairmen of the Board and the Board Committees receive a per diem for every Board or Board Committee meeting attended as follows:

Type of Meeting	Directors	Chairman of the Board
Board Meeting	₱150,000.00	₱225,000.00

Type of Meeting	Members	Chairman of the Committee
Board Committee Meeting *(except Audit Committee)*	₱100,000.00	₱150,000.00
Audit Committee Meeting	₱100,000.00	₱200,000.00

In compliance with Section 29 of the Revised Corporation Code, the total compensation of each of the Company's directors as of December 31, 2024 is as follows:

Name of Director	Total Compensation Received as a Director[18]
SABIN M. ABOITIZ* *Chairman of the Board of Directors*	₱3,975,000.00
ERIC RAMON O. RECTO *Lead Independent Director/ Vice Chairman of the Board of Directors*	₱7,400,000.00
CESAR G. ROMERO *Independent Director*	₱6,450,000.00
LUIS MIGUEL O. ABOITIZ** *Former Director*	₱1,950,000.00
ERRAMON I. ABOITIZ*** *Director*	₱2,850,000.00
EMMANUEL V. RUBIO**** *Former Director and President and Chief Executive Officer*	₱1,150,000.00
ANTONIO A. CANOVA***** *Director*	₱2,300,000.00
EDWIN R. BAUTISTA *Director*	₱4,350,000.00
DANEL C. ABOITIZ* *Director/President and Chief Executive Officer*	₱2,800,000.00
TOSHIRO KUDAMA *Director*	₱4,550,000.00
IZUMI KAI *Director*	₱4,550,000.00

** A portion of the director's compensation was paid to ACO.*
*** Served as director until April 22, 2024.*
****Appointed as director effective April 22, 2024.*
***** Retired on June 30, 2024.*
****** Appointed as Director on July 1, 2024.*

[18] Consisting of the monthly allowance and per diem. Per diem is based on the directors' attendance in the Board and Board Committee meetings, and their Committee memberships for the period January 1 to December 31, 2024.

Other Arrangements

Other than payment of the directors' per diem and monthly allowance as previously stated, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There is no compensatory plan or arrangement between AboitizPower and any executive officer in case of resignation or any other termination of employment or from a change in the management or control of AboitizPower.

Warrants and Options Outstanding

To date, AboitizPower has not granted any stock options to its directors or officers.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners (of more than 5%) as of May 15, 2025

Title of Class of Shares	Name and Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held and Nature of Ownership (Record and/or Beneficial)	Percentage of Ownership *
Common	**1. Aboitiz Equity Ventures Inc. (AEV)**[19] 32nd Street, Bonifacio Global City, Taguig City (Stockholder)	Aboitiz Equity Ventures Inc.[20]	Filipino	3,825,794,642 (Record and Beneficial)	53.09%
Common	**2. JERA Asia Private Limited (JERA Asia)**[21] 88 Market Street #42-01 Capita Spring, Singapore 048948 (Stockholder)	JERA Asia Private Limited	Japanes e	1,986,823,063 (Record and Beneficial)	27.57%
Common	**3. PCD Nominee Corporation**[22] 29th Floor, BDO Equitable Tower, Paseo de Roxas, Makati City, Metro Manila (Stockholder)	PCD participants acting for themselves or for their customers[23]	Filipino	1,020,601,499 (Record)	13.87%

On December 16, 2021, JERA Asia acquired a 27% stake in AboitizPower, which consisted of a 25.01% stake from AEV and a 1.99% stake from the Aboitiz family's privately held company, Aboitiz & Company, Inc. ("**ACO**"). JERA Asia is an affiliate of JERA Co., Inc. ("**JERA**"), a joint venture company organized under the laws of Japan and established in 2015 by two major Japanese electric companies (TEPCO Fuel & Power Incorporated and Chubu Electric Power Company Incorporated). JERA is Japan's largest power generation company and has a global footprint through its subsidiaries operating in various countries around the world.

Aboitiz Equity Ventures Inc. ("**AEV**") is the public holding and management company of the Aboitiz Group, one of the largest conglomerates in the Philippines. As of May 15, 2025, the following entities own at least five per centum (5%) or more of AEV:

Title of Class of Shares	Name and Address of Stockholder and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares and Nature of Ownership (Record and/ or Beneficial)	Percentage of Ownership
Common	**1. Aboitiz & Company, Inc.** Aboitiz Corporate Center, Gov. Manuel A. Cuenco Avenue, Kasambagan, Cebu City (Stockholder)	Aboitiz & Company, Inc.	Filipino	2,735,600,915 (Record and Beneficial)	48.04%

[19] AEV is the parent company of AboitizPower.

[20] Mr. Sabin M. Aboitiz, President and Chief Executive Officer of AEV, will vote for the shares of AEV in AboitizPower in accordance with the directive of the AEV Board of Directors.

[21] Messrs. Ng Kheng Leong or Mitsuhiro Kojima, Authorized Representatives of JERA Asia, will vote for the shares of JERA Asia in AboitizPower in accordance with the directive of JERA Asia's Board of Directors.

[22] PCD Nominee Corporation is not related to the Company. The beneficial owners of the shares held through a PCD participant are the beneficial owners thereof to the extent of the number of shares registered under the respective accounts with the PCD participant.

[23] Each beneficial owner of shares, through a PCD participant, is the beneficial owner of such number of shares he owns in his account with the PCD participant. AboitizPower has no record relating to the power to decide how the shares held by PCD are to be voted. None of the beneficial owners under a PCD participant own more than 5% of the Company's common shares, as of May 15 , 2025.

Title of Class of Shares	Name and Address of Stockholder and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares and Nature of Ownership (Record and/ or Beneficial)	Percentage of Ownership
Common	2. **PCD Nominee Corporation (Filipino)** 29th Floor, BDO Equitable Tower, Paseo de Roxas, Makati City, Metro Manila (Stockholder)	PCD participants acting for themselves or for their customers	Filipino	1,145,515,603 (Record)	20.12%
Common	3. **Ramon Aboitiz Foundation, Inc.** 35 Lopez Jaena Street, Cebu City (Stockholder)	Ramon Aboitiz Foundation, Inc.	Filipino	426,804,093 (Record and Beneficial)	7.49%

Security Ownership of Management as of May 15, 2025 (Record and Beneficial)

Title of Class of Shares	Name of Owner and Position	No. of Shares and Nature of Ownership (Direct and/or Indirect)		Citizenship	Percentage of Ownership
Common	**Sabin M. Aboitiz** Chairman of the Board	5,667,406	Direct	Filipino	0.08%
		16,835,679	Indirect		0.23%
Common	**Eric Ramon O. Recto** Vice Chairman of the Board/Lead Independent Director	1,000	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	**Erramon I. Aboitiz** Director	1	Direct	Filipino	0.00%
		86,913,114	Indirect		1.21%
Common	**Danel C. Aboitiz** Director/President and Chief Executive officer	8,000,000	Direct	Filipino	0.11%
		13,383,000	Indirect		0. 19%
Common	**Toshiro Kudama** Director	100	Direct	Japanese	0.00%
		0	Indirect		0.00%
Common	**Izumi Kai** Director	0	Direct	Japanese	0.00%
		100	Indirect		0.00%
Common	**Antonio A. Canova** Director	100	Direct	American	0.00%
		0	Indirect		0.00%
Common	**Cesar G. Romero** Independent Director	100	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Hon. Estela M. Perlas-Bernabe (Ret.) Independent Director	1	Direct	Filipino	0.00%
		3,000	Indirect		0.00%
Common	**Ma. Racquel J. Bustamante** Treasurer/Senior Vice President – Deputy Chief Financial Officer/Alternate Chief Information Officer	25,000	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	**Juan Alejandro A. Aboitiz** Senior Vice President/Chief Financial Officer/Corporate Information Officer	0	Direct	Filipino	0.00%
		2,685,408	Indirect		0.04%
Common	**Manuel Alberto R. Colayco** Senior Vice President - Chief Legal, Regulatory and Compliance Officer	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	**Ma. Clarisse S. Osteria** Corporate Secretary	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	**Frances Katrina C. Arsua** Assistant Corporate Secretary	0	Direct	Filipino	0.00%
		100	Indirect		0.00%
Common	**Mark Louie L. Gomez** Data Protection Officer and Vice President for Risk and Organizational Performance Management	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	**Mark Angelou C. Dinglasan**	0	Direct	Filipino	0.00%

Title of Class of Shares	Name of Owner and Position	No. of Shares and Nature of Ownership (Direct and/or Indirect)		Citizenship	Percentage of Ownership
	Chief Audit Executive	0	Indirect		0.00%
	TOTAL	**133,514,109**			**1.85%**

Voting Trust Holders of Five Per Centum (5%) or More of Common Equity

No person holds under a voting trust or similar agreement more than five per centum (5%) of AboitizPower's common equity.

Changes in Control

There are no arrangements that may result in a change in control of AboitizPower during the period covered by this report.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

AboitizPower and its Subsidiaries in their regular conduct of business, have entered into related party transactions consisting of professional fees, advances, various guarantees, construction contracts, and rental fees. These are made on an arm's length basis as of the time of the transactions.

AboitizPower has provided support services to its Business Units, such as marketing, trading, billing and other technical services, necessary for the effective and efficient management and operations among and between the Subsidiaries and Associates.

The Group has existing Service Level Agreements ("**SLAs**") with its parent company, AEV, for management fees and corporate center services such as tax compliance and information technology. These services are obtained from AEV to enable the Group to realize cost synergies and optimize expertise at the corporate center. AEV maintains a pool of highly qualified professionals with business expertise specific to the businesses of the Group. Transaction costs are always benchmarked on third party rates to ensure competitive pricing and consistency with prevailing industry standards. SLAs are in place to ensure quality of service.

Material and significant related party transactions are reviewed and approved by the Board Related Party Transactions Committee, composed of two independent directors and one non-Executive director.

No other transactions, without proper disclosure, were undertaken by the Company in which any director or executive officer, any nominee for election as director, any beneficial owner (direct or indirect) or any member of his immediate family was involved or had a direct or indirect material interest. Other than what has been discussed in this Preliminary Information Statement and the Company's 2024 Annual Financial Statements, there are no other related party transactions entered into by the Company with related parties, including transactions with directors or self-dealings by the Company's directors.

AboitizPower employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are brought to the attention of the management.

In 2021, AboitizPower updated the Related Parties Certification for Directors and Officers in compliance with the Bureau of Internal Revenue (BIR) Regulation No. 19-2020 on the reporting guidelines for the transactions of individuals and juridical entities with related parties. The Related Party Transaction (RPT) Committee continued to ensure that related party transactions are taken on an arm's-length basis, within market rates, and with sufficient documentation. Lastly, the RPT Committee ensured that RPTs falling below the SEC-defined materiality threshold are coursed through the appropriate levels of review, reporting, and/or approval process.

For detailed discussion on related party transactions, please refer to the Consolidated Financial Statements.

DESCRIPTION OF DEBT

As of the date of this Prospectus, AboitizPower has the following outstanding indebtedness:

AboitizPower ₱3 Billion Fixed Rate Bonds due 2027

On July 3, 2017, AboitizPower issued fixed rate bonds (the "**2017 Bonds**"), with a term of ten (10) years from issue date and in the aggregate amount of ₱3,000,000,000.00. The 2017 Bonds had an optional redemption on the seventh (7^{th}) year, eighth (8^{th}), and ninth (9^{th}) year from the issue date. BPI Capital acted as the Sole Issue Manager and Sole Underwriter while Bank of the Philippine Islands – Asset Management Group was appointed as Trustee.

The 2017 Bonds constitute direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of AboitizPower and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by AboitizPower pursuant to Section 5.2 (a) of the trust agreement for the 2017 Bonds or as may be allowed therein, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of the relevant issue date.

Transfers of the 2017 Bonds shall be coursed through PDTC as Registrar. Transfer and/or settlement of the 2017 Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and Registrar.

AboitizPower is subject to the following negative covenants, among others:

1. Encumbrances - AboitizPower shall not permit any Indebtedness to be secured by or to benefit from any Lien, in favor of any creditor or class of creditors on, or in respect of, any present or future assets or revenues of the Issuer or the right of the Issuer to receive income; *Provided*, however that this shall not prohibit the following:

   (a) any Lien over any asset to secure: (x) payment of the purchase price or cost of leasehold rights of such asset; or (y) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (z) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset;

   (b) Liens or charges for current taxes, assessments, or other governmental charges which are not delinquent or remain payable, without any penalty, or the validity of which is contested in good faith by appropriate proceedings, and adequate reserves have been provided for payment thereof;

   (c) any Lien to secure, in the normal course of the business of the Issuer or its affiliates: (x) statutory or regulatory obligations; or (y) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;

   (d) any Lien to secure, in relation to a pending judicial, administrative, or arbitral proceeding, the Issuer or its affiliates' (x) surety or appeal bonds; or (y) bonds for release of attachment, stay of execution or injunction;

   (e) any Lien constituted for the purpose of guaranteeing an affiliate's obligation in connection with any contract or agreement that has been assigned to such affiliate by the Issuer;

   (f) any Lien constituted for the purpose of guaranteeing an obligation in connection with any contract or agreement of sale of any asset by the Issuer, provided that the Lien is removed or discharged within twelve (12) months of the date of the sale of the asset;

(g) any Lien created over (x) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos (foreign currency); or (y) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purposes of raising an equivalent amount of Philippine Peso-denominated indebtedness;

(h) any Lien on the properties and assets of the Issuer: (x) imposed by Applicable Law, such as carriers' Liens, warehousemen's Liens, mechanics' Liens, unpaid vendors' Liens, and other similar Liens arising in the ordinary course of business; (y) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits or similar legislation, or retirement benefit plans of the Issuer; or (z) arising out of the set-off provision on other agreements of the Issuer relating to Indebtedness;

(i) any Lien in favor of banks, insurance companies, other financial institutions, and Philippine government agencies, departments, authorities, corporations of other juridical entities which secure a preferential financing obtained by the Issuer under a governmental program and the aggregate principal amount of such preferential financing does not exceed Thirty-Five percent (35%) of the Issuer's total assets;

(j) any Lien over its cash deposits, short-term cash investments, and marketable investment securities in favor of banks and other financial institutions, which secure (i) any borrowed money in connection with a Treasury Transaction in the ordinary course of business of Issuer, provided that the aggregate amount of security does not at any time exceed United States Dollars: Forty Million (US$40,000,000.00) or its equivalent; and/or (ii) standby letters of credit to be used to guarantee additional equity infusions by the Issuer in its Subsidiaries or Affiliates and/or used in the ordinary course of business of Issuer, its Subsidiaries and/or Affiliates;

(k) other Liens: (x) created solely by operation of law; and (y) on such other assets, whether constituted before or after the issue date, as may be disclosed in writing by the Issuer to the Trustee on or before the execution of the trust agreement; and

(l) any Lien constituted over the investment of the Issuer in any of its affiliate, and whether such investment is in the form of shares, deposits or advances to guarantee or secure the obligations of the said affiliates;

Provided that for purposes of "affiliate" as used in Section 5.2 (a) (iii), (iv), (v), and (xii) of the trust agreement, it shall refer to any Person in which the Issuer has investment, whether direct or indirect, in.

2. Declaration and Payment of Cash Dividends/Issuance of Share. AboitizPower shall not declare or pay any dividends to its stockholders (other than dividends payable solely in shares of its capital stock and cash dividends due on its then-outstanding preferred shares) or retain, retire, purchase or otherwise acquire any class of its capital stock, or make any other capital or other asset distribution to its stockholders, unless all payments due under the 2017 Bonds are current and updated; and

3. Maintenance of Financial Ratios. Under the 2017 Bonds, AboitizPower is not required to maintain any financial ratios. However, the Issuer shall not incur any loan obligation with a maturity of more than one (1) year, if on the transaction date, after giving effect to the incurrence of such loan obligation and any other such cumulative obligations, but not giving any effect to the receipt or application of proceeds therefrom, the Net Debt to Consolidated Equity Ratio, as at the last day of the Relevant Period immediately preceding the transaction date (and giving effect to the incurrence of such loan obligation and any other such cumulative obligations), will exceed 3:1.

AboitizPower ₱10.2 Billion Fixed Rate Bonds due 2024 and 2028

On October 12, 2018, AboitizPower issued fixed-rate bonds (the "**2018 Bonds**"), Series "B" and Series "C" bonds, with an aggregate amount of ₱10 bn and an oversubscription option ₱5 bn of which ₱0.2 bn was exercised. The Series "B" bonds have an interest rate of 7.5095% p.a., and will mature in 2024, while the Series "C" bonds have an interest rate of 8.5091% p.a., and will mature in 2028. Interest is payable quarterly in arrear on January 25, April 25, July 25, and October 25 of each year, or the subsequent business day without adjustment if such interest payment date is not a business day. AboitizPower used a portion of the proceeds of the 2022 Third Tranche Bonds (as they are defined below) to fund the early redemption of the Series "B" 2018 Bonds.

AboitizPower appointed BDO Capital as Issue Manager, BDO Capital, BPI Capital, and United Coconut Planters Bank as joint lead underwriters, BDO Unibank, Inc. Trust & Investments Group as Trustee, and PDTC as the Registry and Paying Agent for the transaction. The Series "B" and Series "C" bonds received the highest possible rating of PRS "Aaa" from PhilRatings and is listed with PDEx.

The 2018 Bonds constitute direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of AboitizPower and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by AboitizPower pursuant to Section 5.2 (a) of the trust agreement for the 2018 Bonds or as may be allowed therein, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of the relevant issue date.

Transfers of the 2018 Bonds shall be coursed through PDTC as Registrar. Transfer and/or settlement of the 2018 Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and Registrar.

AboitizPower is subject to the following negative covenants, among others:

1. Encumbrances - AboitizPower shall not permit any Indebtedness to be secured by or to benefit from any Lien, in favor of any creditor or class of creditors on, or in respect of, any present or future assets or revenues of the Issuer or the right of the Issuer to receive income; *Provided*, however that this shall not prohibit the following:

    (a) any Lien over any asset to secure: (x) payment of the purchase price or cost of leasehold rights of such asset; or (y) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (z) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset;

    b) Liens or charges for current taxes, assessments, or other governmental charges which are not delinquent or remain payable, without any penalty, or the validity of which is contested in good faith by appropriate proceedings, and adequate reserves have been provided for payment thereof;

    c) any Lien to secure, in the normal course of the business of the Issuer or its affiliates: (x) statutory or regulatory obligations; or (y) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;

    d) any Lien to secure, in relation to a pending judicial, administrative, or arbitral proceeding, the Issuer or its affiliates' (x) surety or appeal bonds; or (y) bonds for release of attachment, stay of execution or injunction;

    e) any Lien constituted for the purpose of guaranteeing an affiliate's obligation in connection with any contract or agreement that has been assigned to such affiliate by the Issuer;

f) any Lien constituted for the purpose of guaranteeing an obligation in connection with any contract or agreement of sale of any asset by the Issuer, provided that the Lien is removed or discharged within twelve (12) months of the date of the sale of the asset;

g) any Lien created over (x) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos (foreign currency); or (y) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purposes of raising an equivalent amount of Philippine Peso-denominated indebtedness;

h) any Lien on the properties and assets of the Issuer: (x) imposed by Applicable Law, such as carriers' Liens, warehousemen's Liens, mechanics' Liens, unpaid vendors' Liens, and other similar Liens arising in the ordinary course of business; (y) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits or similar legislation, or retirement benefit plans of the Issuer; or (z) arising out of the set-off provision on other agreements of the Issuer relating to Indebtedness;

i) any Lien in favor of banks, insurance companies, other financial institutions, and Philippine government agencies, departments, authorities, corporations of other juridical entities which secure a preferential financing obtained by the Issuer under a governmental program and the aggregate principal amount of such preferential financing does not exceed Thirty-Five percent (35%) of the Issuer's total assets;

j) any Lien over its cash deposits, short-term cash investments, and marketable investment securities in favor of banks and other financial institutions, which secure (i) any borrowed money in connection with a Treasury Transaction in the ordinary course of business of Issuer, provided that the aggregate amount of security does not at any time exceed United States Dollars: Forty Million (US$40,000,000.00) or its equivalent; and/or (ii) standby letters of credit to be used to guarantee additional equity infusions by the Issuer in its Subsidiaries or Affiliates and/or used in the ordinary course of business of Issuer, its Subsidiaries and/or Affiliates;

k) other Liens: (x) created solely by operation of law; and (y) on such other assets, whether constituted before or after the Issue Date, as may be disclosed in writing by the Issuer to the Trustee on or before the execution of the trust agreement; and

l) any Lien constituted over the investment of the Issuer in any of its affiliate, and whether such investment is in the form of shares, deposits or advances to guarantee or secure the obligations of the said affiliates;

Provided that for purposes of "affiliate" as used in Section 5.2 (a) (iii), (iv), (v), and (xii) of the trust agreement, it shall refer to any Person in which the Issuer has investment, whether direct or indirect, in.

2. Declaration and Payment of Cash Dividends/Issuance of Share. AboitizPower shall not declare or pay any dividends to its stockholders (other than dividends payable solely in shares of its capital stock and cash dividends due on its then-outstanding preferred shares) or retain, retire, purchase or otherwise acquire any class of its capital stock, or make any other capital or other asset distribution to its stockholders, unless all payments due under the 2018 Bonds are current and updated; and

3. Maintenance of Financial Ratios. Under the 2018 Bonds, AboitizPower is not required to maintain any financial ratios. However, the Issuer shall not incur any loan obligation with a maturity of more than one (1) year, if on the transaction date, after giving effect to the incurrence of such loan obligation and any other such cumulative obligations, but not giving any effect to the receipt or application of proceeds therefrom, the Net Debt to Consolidated Equity Ratio, as at the last day of the Relevant Period immediately preceding the transaction date (and giving effect to the incurrence of such loan obligation and any other such cumulative obligations), will exceed 3:1.

<u>AboitizPower ₱7.25 Billion Fixed Rate Bonds due 2026</u>

On October 14, 2019, AboitizPower issued fixed-rate bonds (the "**2019 Bonds**"), Series "D" bonds, with a principal amount of ₱7 bn and an oversubscription option ₱5 bn, of which ₱250 mn was exercised. The Series "D" bonds have an interest rate of 5.2757% p.a., and will mature in 2026. Interest is payable quarterly in arrear on January 14, April 14, July 14, and October 14 of each year, or the subsequent business day without adjustment if such interest payment date is not a business day.

AboitizPower appointed BDO Capital and First Metro Investment Corporation as Joint Issue Managers; BDO Capital, First Metro Investment Corporation, China Bank Capital Corporation, PNB Capital and Investment Corporation, and Security Bank Capital Investment Corporation as Joint Lead Underwriters; BDO Unibank, Inc. - Trust & Investments Group as Trustee, and PDTC as the Registry and Paying Agent for the transaction. The Series "D" bonds received the highest possible rating of PRS "Aaa" from PhilRatings and is listed with PDEx.

The 2019 Bonds constitute direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of AboitizPower and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by AboitizPower pursuant to Section 5.2 (a) of the trust agreement for the 2019 Bonds or as may be allowed therein, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of the relevant issue date.

Transfers of the 2019 Bonds shall be coursed through PDTC as Registrar. Transfer and/or settlement of the 2019 Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and Registrar.

AboitizPower is subject to the following negative covenants, among others:

1. Encumbrances - AboitizPower shall not permit any Indebtedness to be secured by or to benefit from any Lien, in favor of any creditor or class of creditors on, or in respect of, any present or future assets or revenues of the Issuer or the right of the Issuer to receive income; *Provided*, however that this shall not prohibit the following:

    (a) any Lien over any asset to secure: (x) payment of the purchase price or cost of leasehold rights of such asset; or (y) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (z) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset;

    (b) Liens or charges for current taxes, assessments, or other governmental charges which are not delinquent or remain payable, without any penalty, or the validity of which is contested in good faith by appropriate proceedings, and adequate reserves have been provided for payment thereof;

    (c) any Lien to secure, in the normal course of the business of the Issuer or its affiliates: (x) statutory or regulatory obligations; or (y) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;

    (d) any Lien to secure, in relation to a pending judicial, administrative, or arbitral proceeding, the Issuer or its affiliates' (x) surety or appeal bonds; or (y) bonds for release of attachment, stay of execution or injunction;

    (e) any Lien constituted for the purpose of guaranteeing an affiliate's obligation in connection with any contract or agreement that has been assigned to such affiliate by the Issuer;

(f) any Lien constituted for the purpose of guaranteeing an obligation in connection with any contract or agreement of sale of any asset by the Issuer, provided that the Lien is removed or discharged within twelve (12) months of the date of the sale of the asset;

(g) any Lien created over (x) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos (foreign currency); or (y) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purposes of raising an equivalent amount of Philippine Peso-denominated indebtedness;

(h) any Lien on the properties and assets of the Issuer: (x) imposed by Applicable Law, such as carriers' Liens, warehousemen's Liens, mechanics' Liens, unpaid vendors' Liens, and other similar Liens arising in the ordinary course of business; (y) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits or similar legislation, or retirement benefit plans of the Issuer; or (z) arising out of the set-off provision on other agreements of the Issuer relating to Indebtedness;

(i) any Lien in favor of banks, insurance companies, other financial institutions, and Philippine government agencies, departments, authorities, corporations of other juridical entities which secure a preferential financing obtained by the Issuer under a governmental program and the aggregate principal amount of such preferential financing does not exceed Thirty-Five percent (35%) of the Issuer's total assets;

(j) any Lien over its cash deposits, short-term cash investments, and marketable investment securities in favor of banks and other financial institutions, which secure (i) any borrowed money in connection with a Treasury Transaction in the ordinary course of business of Issuer, provided that the aggregate amount of security does not at any time exceed United States Dollars: Forty Million (US$40,000,000.00) or its equivalent; and/or (ii) standby letters of credit to be used to guarantee additional equity infusions by the Issuer in its Subsidiaries or Affiliates and/or used in the ordinary course of business of Issuer, its Subsidiaries and/or Affiliates;

other Liens: (x) created solely by operation of law; and (y) on such other assets, whether constituted before or after the Issue Date, as may be disclosed in writing by the Issuer to the Trustee on or before the execution of the trust agreement; and

(k) any Lien constituted over the investment of the Issuer in any of its affiliate, and whether such investment is in the form of shares, deposits or advances to guarantee or secure the obligations of the said affiliates;

Provided that for purposes of "affiliate" as used in Section 5.2 (a) (iii), (iv), (v), and (xii) of the trust agreement, it shall refer to any Person in which the Issuer has investment, whether direct or indirect, in.

2. Declaration and Payment of Cash Dividends/Issuance of Share. AboitizPower shall not declare or pay any dividends to its stockholders (other than dividends payable solely in shares of its capital stock and cash dividends due on its then-outstanding preferred shares) or retain, retire, purchase or otherwise acquire any class of its capital stock, or make any other capital or other asset distribution to its stockholders, unless all payments due under the 2019 Bonds are current and updated; and

3. Maintenance of Financial Ratios. Under the 2019 Bonds, AboitizPower is not required to maintain any financial ratios. However, the Issuer shall not incur any loan obligation with a maturity of more than one (1) year, if on the transaction date, after giving effect to the incurrence of such loan obligation and any other such cumulative obligations, but not giving any effect to the receipt or application of proceeds therefrom, the Net Debt to Consolidated Equity Ratio, as at the last day of the Relevant Period immediately preceding the transaction date (and giving

effect to the incurrence of such loan obligation and any other such cumulative obligations), will exceed 3:1.

AboitizPower ₱9.55 Billion Fixed Rate Bonds due 2022 and 2025

On June 19, 2020, AboitizPower issued fixed-rate bonds (the "**2020 Bonds**"), Series "E" and Series "F" bonds, with an aggregate amount of ₱6 bn and an oversubscription option ₱3.55 bn which was fully exercised. The Series "E" bonds have an interest rate of 3.125% p.a., and will mature in 2022, while the Series "F" bonds have an interest rate of 3.935% p.a., and will mature in 2025. Interest is payable quarterly in arrear on January 6, April 6, July 6, and October 6 of each year, or the subsequent business day without adjustment if such interest payment date is not a business day.

AboitizPower appointed BDO Capital & Investment Corporation, China Bank Capital Corporation, and First Metro Investment Corporation as the joint issue managers and joint lead underwriters, BDO Unibank, Inc. - Trust & Investments Group as Trustee, and PDTC as the Registry and Paying Agent for the transaction. The Series "E" and Series "F" bonds received the highest possible rating of PRS "Aaa" from PhilRatings and are listed with PDEx.

The 2020 Bonds constitute the direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of AboitizPower and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by AboitizPower pursuant to Section 4.1 (k) of the trust agreement for the 2020 Bonds or as may be allowed therein, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of the relevant issue date.

Transfers of the 2020 Bonds shall be coursed through PDTC as Registrar. Transfer and/or settlement of the 2020 Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and Registrar.

AboitizPower is subject to the following negative covenants, among others:

1. Encumbrances - AboitizPower shall not permit any Indebtedness to be secured by or to benefit from any Lien, in favor of any creditor or class of creditors on, or in respect of, any present or future assets or revenues of the Issuer or the right of the Issuer to receive income; *Provided*, however that this shall not prohibit the following:

    (a) any Lien over any asset to secure: (x) payment of the purchase price or cost of leasehold rights of such asset; or (y) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (z) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset;

    (b) Liens or charges for current taxes, assessments, or other governmental charges which are not delinquent or remain payable, without any penalty, or the validity of which is contested in good faith by appropriate proceedings, and adequate reserves have been provided for payment thereof;

    (c) any Lien to secure, in the normal course of the business of the Issuer or its affiliates: (x) statutory or regulatory obligations; or (y) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;

    (d) any Lien to secure, in relation to a pending judicial, administrative, or arbitral proceeding, the Issuer or its affiliates' (x) surety or appeal bonds; or (y) bonds for release of attachment, stay of execution or injunction;

(e) any Lien constituted for the purpose of guaranteeing an affiliate's obligation in connection with any contract or agreement that has been assigned to such affiliate by the Issuer;

(f) any Lien constituted for the purpose of guaranteeing an obligation in connection with any contract or agreement of sale of any asset by the Issuer, provided that the Lien is removed or discharged within twelve (12) months of the date of the sale of the asset;

(g) any Lien created over (x) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos (foreign currency); or (y) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purposes of raising an equivalent amount of Philippine Peso-denominated indebtedness;

(h) any Lien on the properties and assets of the Issuer: (x) imposed by Applicable Law, such as carriers' Liens, warehousemen's Liens, mechanics' Liens, unpaid vendors' Liens, and other similar Liens arising in the ordinary course of business; (y) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits or similar legislation, or retirement benefit plans of the Issuer; or (z) arising out of the set-off provision on other agreements of the Issuer relating to Indebtedness;

(i) any Lien in favor of banks, insurance companies, other financial institutions, and Philippine government agencies, departments, authorities, corporations of other juridical entities which secure a preferential financing obtained by the Issuer under a governmental program and the aggregate principal amount of such preferential financing does not exceed Thirty-Five percent (35%) of the Issuer's total assets;

(j) any Lien over its cash deposits, short-term cash investments, and marketable investment securities in favor of banks and other financial institutions, which secure (i) any borrowed money in connection with a Treasury Transaction in the ordinary course of business of Issuer, provided that the aggregate amount of security does not at any time exceed United States Dollars: Forty Million (US$40,000,000.00) or its equivalent; and/or (ii) standby letters of credit to be used to guarantee additional equity infusions by the Issuer in its Subsidiaries or Affiliates and/or used in the ordinary course of business of Issuer, its Subsidiaries and/or Affiliates;

(k) other Liens: (x) created solely by operation of law; and (y) on such other assets, whether constituted before or after the issue date, as may be disclosed in writing by the Issuer to the Trustee on or before the execution of the trust agreement; and

(l) any Lien constituted over the investment of the Issuer in any of its affiliate, and whether such investment is in the form of shares, deposits or advances to guarantee or secure the obligations of the said affiliates;

Provided that for purposes of "affiliate" as used in Section 5.2 (a) (iii), (iv), (v), and (xii) of the trust agreement, it shall refer to any Person in which AboitizPower has an investment, whether direct or indirect, in.

2. Declaration and Payment of Cash Dividends/Issuance of Share. AboitizPower shall not declare or pay any dividends to its stockholders (other than dividends payable solely in shares of its capital stock and cash dividends due on its then-outstanding preferred shares) or retain, retire, purchase or otherwise acquire any class of its capital stock, or make any other capital or other asset distribution to its stockholders, unless all payments due under the 2020 Bonds are current and updated; and

3. Maintenance of Financial Ratios. Under the 2020 Bonds, AboitizPower is not required to maintain any financial ratios. However, the Issuer shall not incur any loan obligation with a maturity of more than one (1) year, if on the transaction date, after giving effect to the incurrence of such loan obligation and any other such cumulative obligations, but not giving any effect to the receipt or application of proceeds therefrom, the Net Debt to Consolidated Equity Ratio, as at the last day of the Relevant Period immediately preceding the transaction date (and giving effect to the incurrence of such loan obligation and any other such cumulative obligations), will exceed 3:1.

AboitizPower ₱8 bn Fixed Rate Bonds due 2026

On March 16, 2021, AboitizPower issued the 2021 First Tranche Bonds, with an aggregate amount of ₱4 bn and an oversubscription option ₱4 bn which was fully exercised. The 2021 First Tranche Bonds have an interest rate of 3.8224% p.a. and are maturing on March 16, 2026. Interest shall be paid quarterly in arrear on March 16, June 16, September 16, and December 16 of each year, commencing on June 16, 2021, until and including the maturity date. The 2021 First Tranche Bonds were issued in scripless form in minimum denominations of ₱50,000 each, and in multiples of ₱10,000 thereafter. The 2021 First Tranche Bonds earlier received the highest possible rating of "PRS Aaa" from the Philippine Rating Services Corporation and AboitizPower intends to list them with PDEx.

Remaining tranches of debt securities under AboitizPower's shelf registration may be issued from time to time over the next three years following the date on which the Debt Securities Program is rendered effective, subject to market conditions and AboitizPower's funding requirements.

AboitizPower appointed BDO Capital & Investment Corporation, BPI Capital Corporation, China Bank Capital Corporation and First Metro Investment Corporation as Joint Issue Managers, Joint Lead Underwriters, and Joint Bookrunners; and BDO - Unibank, Inc. – Trust and Investments Group as the Trustee. PDTC is the registrar and paying agent of the 2021 First Tranche Bonds.

The 2021 First Tranche Bonds constitute the direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of AboitizPower and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by AboitizPower pursuant to Section 4.1 (k) of the trust agreement for the 2021 First Tranche Bonds or as may be allowed therein, and (iii) other indebtedness or obligations disclosed by the Issuer to the trustee as of the relevant issue date.

Transfers of the 2021 First Tranche Bonds shall be coursed through PDTC as Registrar. Transfer and/or settlement of the 2021 First Tranche Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and registrar.

Under the terms of the 2021 First Tranche Bonds, AboitizPower is subject to certain negative covenants. See the section entitled "*Material Contracts*" on page 143 of the Prospectus.

AboitizPower ₱12 Billion Fixed Rate Bonds due 2025 and 2028

On December 2, 2021, AboitizPower issued the 2021 Second Tranche Bonds, with an aggregate amount of ₱6 bn and an oversubscription option ₱6 bn which was fully exercised. The 2021 Second Tranche Bonds is composed of series B bonds with an interest rate of 3.9992% p.a.and are maturing on December 2, 2025 and series C bonds with an interest rate of 5.0283% p.a. and are maturing on December 2, 2028. Interest shall be paid quarterly in arrear on March 2, June 2, September 2, and December 2 of each year, commencing on March 2, 2022, until and including the maturity date. The 2021 Second Tranche Bonds were issued in scripless form in minimum denominations of ₱50,000 each, and in multiples of ₱10,000 thereafter. The 2021 Second Tranche Bonds earlier received the highest possible rating of "PRS Aaa" from the Philippine Rating Services Corporation and AboitizPower intends to list them with PDEx.

AboitizPower appointed BDO Capital & Investment Corporation, China Bank Capital Corporation, First Metro Investment Corporation, and Security Bank Capital Investment Corporation as Joint Issue Managers, Joint Lead Underwriters, and Joint Bookrunners; and BDO - Unibank, Inc. – Trust and

Investments Group as the trustee. PDTC is the registrar and paying agent of the 2021 Second Tranche Bonds.

The 2021 Second Tranche Bonds constitute the direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of AboitizPower and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by AboitizPower pursuant to Section 5.2 (a) of the trust agreement for the 2021 Second Tranche Bonds or as may be allowed therein, and (iii) other indebtedness or obligations disclosed by the Issuer to the trustee as of the relevant issue date.

Transfers of the 2021 Second Tranche Bonds shall be coursed through PDTC as registrar. Transfer and/or settlement of the 2021 Second Tranche Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and registrar.

Under the terms of the 2021 Second Tranche Bonds, AboitizPower is subject to certain negative covenants. See the section entitled “*Material Contracts*” on page 143 of the relevant Offer Supplement.

1. Encumbrances - AboitizPower shall not permit any indebtedness to be secured by or to benefit from any lien, in favor of any creditor or class of creditors on, or in respect of, any present or future assets or revenues of the Issuer or the right of the Issuer to receive income; *Provided*, however that this shall not prohibit the following:

    (a) any lien over any asset to secure: (x) payment of the purchase price or cost of leasehold rights of such asset; or (y) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (z) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset;

    (b) liens or charges for current taxes, assessments, or other governmental charges which are not delinquent or remain payable, without any penalty, or the validity of which is contested in good faith by appropriate proceedings, and adequate reserves have been provided for payment thereof;

    (c) any lien to secure, in the normal course of the business of the Issuer or its affiliates: (x) statutory or regulatory obligations; or (y) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;

    (d) any lien to secure, in relation to a pending judicial, administrative, or arbitral proceeding, the Issuer or its affiliates’ (x) surety or appeal bonds; or (y) bonds for release of attachment, stay of execution or injunction;

    (e) any lien constituted for the purpose of guaranteeing an affiliate’s obligation in connection with any contract or agreement that has been assigned to such affiliate by the Issuer;

    (f) any lien constituted for the purpose of guaranteeing an obligation in connection with any contract or agreement of sale of any asset by the Issuer, provided that the Lien is removed or discharged within twelve (12) months of the date of the sale of the asset;

    (g) any lien created over (x) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos (foreign currency); or (y) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purposes of raising an equivalent amount of indebtedness in any currency;

(h) any lien on the properties and assets of the Issuer: (x) imposed by Applicable Law, such as carriers' liens, warehousemen's liens, mechanics' liens, unpaid vendors' liens, and other similar liens arising in the ordinary course of business; (y) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits or similar legislation, or retirement benefit plans of the Issuer; or (z) arising out of the set-off provision on other agreements of the Issuer relating to indebtedness;

(i) any lien in favor of banks, insurance companies, other financial institutions, and Philippine government agencies, departments, authorities, corporations of other juridical entities which secure a preferential financing obtained by the Issuer under a governmental program and the aggregate principal amount of such preferential financing does not exceed thirty-five percent (35%) of the Issuer's total assets;

(j) any lien over its cash deposits, short-term cash investments, and marketable investment securities in favor of banks and other financial institutions, which secure (i) any borrowed money in connection with a treasury transaction in the ordinary course of business of Issuer, provided that the aggregate amount of security does not at any time exceed United States Dollars: Forty Million (US$40,000,000.00) or its equivalent; and/or (ii) standby letters of credit to be used to guarantee additional equity infusions by the Issuer in its subsidiaries or affiliates and/or used in the ordinary course of business of Issuer, its subsidiaries and/or affiliates;

(k) other liens: (x) created solely by operation of law; and (y) on such other assets, whether constituted before or after the relevant issue date, as may be disclosed in writing by the Issuer to the trustee on or before the execution of the trust agreement; and

(l) any lien constituted over the investment of the Issuer in any of its affiliate, and whether such investment is in the form of shares, deposits or advances to guarantee or secure the obligations of the said affiliates;

Provided that for purposes of "affiliate" as used in Section 5.2 (a) (iii), (iv), (v), and (xii) of the trust agreement, it shall refer to any Person in which AboitizPower has an investment, whether direct or indirect, in.

2. Declaration and Payment of Cash Dividends/Issuance of Share. AboitizPower shall not declare or pay any dividends to its stockholders (other than dividends payable solely in shares of its capital stock and cash dividends due on its then-outstanding preferred shares) or retain, retire, purchase or otherwise acquire any class of its capital stock, or make any other capital or other asset distribution to its stockholders, unless all payments due under the 2021 Second Tranche Bonds are current and updated; and

3. Maintenance of Financial Ratios. Under the 2021 Second Tranche Bonds, AboitizPower is not required to maintain any financial ratios. However, the Issuer shall not incur any loan obligation with a maturity of more than one (1) year, if on the transaction date, after giving effect to the incurrence of such loan obligation and any other such cumulative obligations, but not giving any effect to the receipt or application of proceeds therefrom, the net debt to consolidated equity ratio, in respect of the relevant period immediately preceding the transaction date, will exceed 3:1.

AboitizPower ₱10 Billion Fixed Rate Bonds due 2027 and 2029

On March 17, 2022, AboitizPower issued fixed-rate bonds (the "**2022 Third Tranche Bonds**") with an aggregate amount of ₱7 bn and an oversubscription option ₱3 bn which was fully exercised. The 2022 Third Tranche Bonds is composed of series D bonds with an interest rate of 5.3066% p.a. and are maturing on 2027 and series E bonds with an interest rate of 5.7388% p.a. and are maturing in 2029. Interest is payable in arrears on March 17, June 17, September 17, and December 17 of each year, or the subsequent business day without adjustment if such interest payment date is not a business day.

The 2022 Third Tranche Bonds were issued in scripless form in minimum denominations of ₱50,000 each, and in multiples of ₱10,000 thereafter. The 2022 Third Tranche Bonds earlier received the highest possible rating of "PRS Aaa" from the Philippine Rating Services Corporation and AboitizPower intends to list them with PDEx.

AboitizPower appointed BDO Capital & Investment Corporation, China Bank Capital Corporation, First Metro Investment Corporation, and Security Bank Capital Investment Corporation as Joint Issue Managers, Joint Lead Underwriters, and Joint Bookrunners; and BDO - Unibank, Inc. – Trust and Investments Group as the trustee. PDTC is the registrar and paying agent of the 2021 Second Tranche Bonds.

The 2022 Third Tranche Bonds constitute the direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of AboitizPower and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by AboitizPower pursuant to Section 5.2 (a) of the trust agreement for the 2022 Third Tranche Bonds or as may be allowed therein, and (iii) other indebtedness or obligations disclosed by the Issuer to the trustee as of the relevant issue date.

Transfers of the 2022 Third Tranche Bonds shall be coursed through PDTC as registrar. Transfer and/or settlement of the 2022 Third Tranche Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and registrar.

AboitizPower is subject to the following negative covenants, among others:

1. Encumbrances - AboitizPower shall not permit any indebtedness to be secured by or to benefit from any lien, in favor of any creditor or class of creditors on, or in respect of, any present or future assets or revenues of the Issuer or the right of the Issuer to receive income; *Provided*, however that this shall not prohibit the following:

    (a) any lien over any asset to secure: (x) payment of the purchase price or cost of leasehold rights of such asset; or (y) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (z) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset;

    (b) liens or charges for current taxes, assessments, or other governmental charges which are not delinquent or remain payable, without any penalty, or the validity of which is contested in good faith by appropriate proceedings, and adequate reserves have been provided for payment thereof;

    (c) any lien to secure, in the normal course of the business of the Issuer or its affiliates: (x) statutory or regulatory obligations; or (y) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;

    (d) any lien to secure, in relation to a pending judicial, administrative, or arbitral proceeding, the Issuer or its affiliates' (x) surety or appeal bonds; or (y) bonds for release of attachment, stay of execution or injunction;

    (e) any lien constituted for the purpose of guaranteeing an affiliate's obligation in connection with any contract or agreement that has been assigned to such affiliate by the Issuer;

    (f) any lien constituted for the purpose of guaranteeing an obligation in connection with any contract or agreement of sale of any asset by the Issuer, provided that the Lien is removed or discharged within twelve (12) months of the date of the sale of the asset;

(g) any lien created over (x) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos (foreign currency); or (y) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purposes of raising an equivalent amount of indebtedness in any currency;

(h) any lien on the properties and assets of the Issuer: (x) imposed by Applicable Law, such as carriers' liens, warehousemen's liens, mechanics' liens, unpaid vendors' liens, and other similar liens arising in the ordinary course of business; (y) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits or similar legislation, or retirement benefit plans of the Issuer; or (z) arising out of the set-off provision on other agreements of the Issuer relating to indebtedness;

(i) any lien in favor of banks, insurance companies, other financial institutions, and Philippine government agencies, departments, authorities, corporations of other juridical entities which secure a preferential financing obtained by the Issuer under a governmental program and the aggregate principal amount of such preferential financing does not exceed thirty-five percent (35%) of the Issuer's total assets;

(j) any lien over its cash deposits, short-term cash investments, and marketable investment securities in favor of banks and other financial institutions, which secure (i) any borrowed money in connection with a treasury transaction in the ordinary course of business of Issuer, provided that the aggregate amount of security does not at any time exceed United States Dollars: Forty Million (US$40,000,000.00) or its equivalent; and/or (ii) standby letters of credit to be used to guarantee additional equity infusions by the Issuer in its subsidiaries or affiliates and/or used in the ordinary course of business of Issuer, its subsidiaries and/or affiliates;

(k) other liens: (x) created solely by operation of law; and (y) on such other assets, whether constituted before or after the relevant issue date, as may be disclosed in writing by the Issuer to the trustee on or before the execution of the trust agreement; and

(l) any lien constituted over the investment of the Issuer in any of its affiliate, and whether such investment is in the form of shares, deposits or advances to guarantee or secure the obligations of the said affiliates;

Provided that for purposes of "affiliate" as used in Section 5.2 (a) (iii), (iv), (v), and (xii) of the trust agreement, it shall refer to any Person in which AboitizPower has an investment, whether direct or indirect, in.

4. Declaration and Payment of Cash Dividends/Issuance of Share. AboitizPower shall not declare or pay any dividends to its stockholders (other than dividends payable solely in shares of its capital stock and cash dividends due on its then-outstanding preferred shares) or retain, retire, purchase or otherwise acquire any class of its capital stock, or make any other capital or other asset distribution to its stockholders, unless all payments due under the 2022 Third Tranche Bonds are current and updated; and

5. Maintenance of Financial Ratios. Under the 2022 Third Tranche Bonds, AboitizPower is not required to maintain any financial ratios. However, the Issuer shall not incur any loan obligation with a maturity of more than one (1) year, if on the transaction date, after giving effect to the incurrence of such loan obligation and any other such cumulative obligations, but not giving any effect to the receipt or application of proceeds therefrom, the net debt to consolidated equity ratio, in respect of the relevant period immediately preceding the transaction date, will exceed 3:1.

INDEPENDENT AUDITORS AND COUNSEL

LEGAL MATTERS

All legal opinions/matters in connection with the issuance of the Bonds will be passed upon by Romulo Mabanta Buenaventura Sayoc & de los Angeles ("**Romulo Law**") for the Issuer, and Picazo Buyco Tan Fider and Santos ("**Picazo Law**"), for the Joint Issue Managers, Joint Lead Underwriters, and Joint Bookrunners. Certain matters relating to the legality of the Offer and tax matters were passed upon by Gatmaytan Yap Patacsil Gutierrez & Protacio ("**CG Law**") for the limited purpose of issuing an opinion required by the SEC. Neither Romulo Law, Picazo Law or CG Law has any direct or indirect interest in the Company.

INDEPENDENT AUDITORS

The consolidated financial statements of the Company as at December 31, 2022, 2023, and 2024 and for the three years then ended have been audited by SyCip Gorres Velayo & Co., a member firm of Ernst & Young, independent auditors, in accordance with Philippine Standards on Auditing as set forth in their report thereon appearing elsewhere in this Prospectus.

EXTERNAL AUDIT FEES AND SERVICES

The following table sets out the aggregate fees paid by the Registrant for professional fees rendered by SGV:

Fee Type	Year ended December 31, 2024	Year ended December 31, 2023
Audit Fees		
Audit Fees	₱1,193,500.00	₱698,600.00
Audit-Related Fees—Bond Issuance	6,000,000.00	6,000,000.00
Total	**7,193,500.00**	**6,698,000.00**
Non-Audit Fees		
Financial and Tax Due Diligence Fees	--	1,352,567
BIR Form 1709 Preparation	57,000.00	-
Transfer Pricing Documentation	45,000.00	-
Total	**102,000**	**1,352,567**
Total Audit and Non-Audit Fees	**₱7,295,500.00**	**₱8,051,167.00**

AboitizPower engaged SGV to audit its 2024 and 2023 annual financial statements. SGV was also engaged to conduct quarterly financial results for bond issuance readiness. The Company also engaged SGV to provide financial and tax due diligence in relation to the Company's preparation of BIR Form 1709 and transfer pricing documentation.

As a policy, the Board Audit Committee makes recommendations to the Board concerning the choice of external auditor and pre-approves audit plans, scope, and frequency before the audit is conducted.

Audit services of SGV for 2024 and 2023 were pre-approved by the Board Audit Committee. The Board Audit Committee also reviewed the extent and nature of these services to ensure that the independence of the external auditors was preserved. SGV does not have any direct or indirect interest in the Company.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The Company has engaged the services of SGV during the two most recent fiscal years. There are no disagreements with SGV on accounting and financial disclosure.

TAXATION

*The statements herein regarding taxation are based on the laws in force as of the date of this Prospectus, including the present provisions of the National Internal Revenue Code of 1997, as amended by Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion Law ("**TRAIN Law**"), which took effect on January 1, 2018, and Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprise Act (the "**CREATE Act**"), which took effect on April 11, 2021 (TRAIN Law and CREATE Act, collectively, the "**Philippine Tax Code**"), the regulations promulgated thereunder and judicial and ruling authorities in force as of the date of this Prospectus, all of which are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the First Tranche Bonds and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the First Tranche Bonds are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the First Tranche Bonds.*

As used in this section, the term "resident" alien" refers to an individual whose residence is within the Philippines and who is not a citizen thereof. On the other hand, a "non-resident alien" means an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien engaged in trade or business in the Philippines"; however, a non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year may be considered a "non-resident alien not engaged in trade or business within the Philippines". A "domestic corporation" is created or organized under the laws of the Philippines while a "resident foreign corporation" is a foreign corporation engaged in trade or business in the Philippines. A "non-resident foreign corporation" is a foreign corporation not engaged in trade or business within the Philippines.

Taxation of Interest

The Tax Code provides that interest-bearing obligations of Philippine residents are Philippine-sourced income subject to Philippine income tax, while alien individuals and foreign corporations are subject to Philippine income tax on Philippine-sourced income only.

Interest income derived by Philippine citizens and resident alien individuals from the First Tranche Bonds is thus subject to income tax, which is withheld at source, at the rate of 20% based on the gross amount of interest. Generally, interest on the First Tranche Bonds received by non-resident aliens engaged in trade or business in the Philippines is subject to a 20% final withholding tax while that received by non-resident aliens not engaged in trade or business is subject to a final withholding tax rate of 25%. Interest income received by domestic corporations and resident foreign corporations from the First Tranche Bonds is subject to a final withholding tax rate of 20%. Interest income received by non-resident foreign corporations from the First Tranche Bonds is subject to a 25% final withholding tax.

If the payment made by the Issuer to a non-resident foreign corporation is in foreign currency and qualifies as interest on foreign loans, the applicable final withholding tax rate is 20%.

The foregoing rates are subject to further reduction by any applicable tax treaties in force between the Philippines and the country of residence of the non-resident owner. Most tax treaties to which the Philippines is a party generally provide for a preferential reduced tax rate of 15% in cases where the interest which arises in the Philippines is paid to a resident of the other contracting state. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment.

The BIR has prescribed certain procedures for the availment of tax treaty relief. Assuming the payments to be made by the Issuer are subject to withholding tax, a non-Philippine holder may avail of the lower withholding tax rates allowed under an applicable tax treaty with the Philippines by submitting to the Issuer the following: (a) duly accomplished BIR Form No. 0901 indicating the basis for the preferential tax treaty rate; (b) Tax Residency Certificate for the relevant period duly issued by the tax authority of the residence of the non-Philippine holder; (c) original consularized or apostilled Special Power of Attorney (SPA) of the signing officer; or SPA issued by the non-Philippine holder to his/her authorized representative, which shall expressly state the authority to sign the BIR Form No. 0901; and (d) the relevant tax treaty provision relied upon by the non-Philippine holder in availing of the lower withholding tax rates; and (e) such other documents as may be required by the BIR including the supporting documents required under RMO No. 14-2021.

Tax-Exempt Status or Entitlement to Preferential Tax Rate

Bondholders who are exempt from or are not subject to final withholding tax on interest income or entitled to be taxed at a preferential rate may claim such exemption or avail of such preferential rate by submitting the necessary documents.

The BIR has prescribed certain procedures for availment of such exemption or preferential withholding tax rate. Assuming the payments to be made by the Issuer are subject to withholding tax, subject to the filing of the Issuer's application and its approval by the BIR, the Issuer will not withhold or will withhold at a reduced rate, provided that such Bondholder furnishes the Issuer with the following documents, in form and substance prescribed by the Issuer:

1. Proof of Tax Exemption or Entitlement to Preferential Tax Rates

    i. For (a) tax-exempt corporations and associations under Section 30 of the Tax Code (except non-stock, non-profit educational institutions under Section 30(H) of the Tax Code); and (b) cooperatives duly registered with the Cooperative Development Authority – certified true copy of a valid, current, and subsisting tax exemption certificate, ruling, or opinion issued by the BIR. For this purpose, a tax exemption certificate or ruling shall be deemed "valid, current, and subsisting" if it has not been more than three (3) years since the date of issuance thereof, and has not been revoked, amended, or modified;

    ii. For Tax-Exempt Personal Equity Retirement Account established pursuant to PERA Act of 2008 – certified true copy of the Bondholder's current, valid, and subsisting Certificate of Accreditation as PERA Administrator (BIR Form No. 2336);

    iii. For all other tax-exempt entities (including, but not limited to, (a) non-stock, non-profit educational institutions; (b) GOCC; (c) foreign governments, financing institutions owned, controlled or enjoying refinancing from foreign governments, and international or regional financial institutions established by foreign governments; (d) non-stock savings and loans associations; and (e) BIR-approved pension fund and retirement plan) – certified true copy of a tax exemption certificate, ruling, or opinion issued by the BIR expressly stating that their income is exempt from income tax and, consequently, withholding tax; and

    iv. For entities claiming tax treaty relief – original or certified true copies of the following documents:

        General requirements:

        a. Duly accomplished BIR Form No. 0901-I indicating the basis for the application of the preferential tax treaty rate on the income of the Bondholder;
        b. Original Tax Residency Certificate ("**TRC**") duly issued by the tax authority of the foreign country in which the Bondholder is a resident;
        c. Original and duly notarized Special Power of Attorney ("**SPA**") issued by the Bondholder to the Issuer, expressly stating the Issuer's authority to sign the Application Form for Treaty Purposes (BIR Form No. 0901-I) and to file a request for confirmation with the BIR on behalf of the Bondholder;

Additional requirements for legal persons and arrangements, and individuals:

d. Authenticated copy of the Bondholder's Articles/Memorandum of Incorporation/Association, Trust Agreement, or equivalent document confirming its establishment or incorporation, with an English translation thereof if in foreign language;
e. For legal persons and arrangements – original Certificate of Non-Registration or certified true copy of License to Do Business in the Philippines duly issued by the Securities and Exchange Commission (SEC) to the Bondholder;
f. For individuals – original Certificate of Business Registration/Presence duly issued by the Department of Trade and Industry (DTI) to the Bondholder;

Additional requirements for entities:

g. Certified true copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the Bondholder;
h. List of owners/beneficiaries of the Bondholder;
i. Proof of ownership of the Bondholder; and
j. TRC duly issued by the concerned foreign tax authority to the owners or beneficiaries of the Bondholder.

Persons claiming tax treaty relief shall likewise provide a copy of the relevant provision of the tax treaty showing the basis of such claim for tax exemption or preferential tax rate, if required by the Issuer.

All documents executed in a foreign country must either be authenticated by the Philippine Embassy stationed therein or apostilled if the said foreign country is a signatory to the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents (HCCH 1961 Apostille Convention) in order to be acceptable to the Issuer.

In addition, for subsequent interests due and subject to the requirements of new or amendatory regulations, the Bondholder shall submit to the Issuer an updated Application Form, a new TRC (if the validity period of the previously submitted TRC has already lapsed), and other relevant documents no later than the last day of the first month of the year when such subsequent interest payment/s shall fall due.

2. A duly notarized declaration (in the prescribed form) warranting that the Bondholder's tax-exemption certificate or ruling has not been revoked or cancelled and that there are no material changes in character, purpose, or method of operation of the Bondholder which are inconsistent with the basis of its income tax exemption, or warranting the Bondholder's entitlement to preferential treaty rates, and undertaking to immediately notify the Issuer, the Registrar, and the Paying Agent of any suspension or revocation of its tax exemption or treaty privileges and agreeing to indemnify and hold the Issuer, the Registrar, and the Paying Agent free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding or reduced withholding of the required tax; and

3. Such other documentary requirements as may be reasonably required by the Issuer or the Registrar and Paying Agent, or as may be required under applicable regulations of the relevant taxing or other authorities.

Failure to submit any of the documents provided under (1), (2), and (3) above, as may be applicable, will result in the application of the normal income tax rate provided under the Tax Code.

The foregoing notwithstanding, the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided further that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.

The foregoing requirements shall be submitted, (i) in respect of an initial issuance of First Tranche Bonds, to the Joint Issue Managers and Joint Lead Underwriter, and Joint Bookrunners who shall then forward the same with the Application to Purchase to the Registrar; or (ii) in respect of a transfer from a Bondholder to a purchaser, to the Registrar within three (3) days from settlement date.

If the tax treaty rate was applied by the Issuer based on the representations and supporting documents provided by the Bondholder, the Bondholder (either directly or through its duly authorized representatives) will shall file, on behalf of the Issuer, with the ITAD a Request for Confirmation ("**RFC**") of the use of the tax treaty rate no later than the last day of the fourth month following the close of the relevant taxable year after the payment of the withholding tax with supporting documents specified in RMO No. 14-2021 and in relation to RMC Nos. 77-2021 and 20-2022 and its allied BIR issuances, as may be amended from time to time. In relation thereto, the Issuer requires that copies of the BIR-stamped "Received" RFC (with complete accompanying documents) be provided by the Bondholder to the Issuer within sixty (60) days from the payment of the interest income to the Bondholder (either directly or through its duly authorized representatives), and without need of prior request or demand from the Issuer. The Bondholder shall submit to the Issuer the original of the Certificate of Entitlement to Treaty Benefit issued by the BIR within ten (10) days from the Bondholder's receipt of the Certificate of Entitlement to Treaty Benefit. The Bondholder shall ensure compliance with the requisites under the Certificate of Entitlement to Treaty Benefit for entitlement to the tax treaty benefits.

If the BIR determines that the withholding tax rate used is lower than the applicable tax rate that should have been applied, or that the non-resident taxpayer is not entitled to treaty benefits, the RFC will be denied and the BIR will require the Issuer to pay the deficiency taxes with penalties. In such case, the Bondholder, as the ultimate income earner, shall either advance to the Issuer or reimburse the Issuer, at the option of the Issuer, the total amount of deficiency taxes and penalties imposed by the BIR, as well as all other reasonable and necessary fees that may be incurred by the Issuer as a result of the denial of the BIR application.

In case the Issuer used the regular tax rate under the Tax Code, the non-resident foreign Bondholder who intends to obtain a confirmation of entitlement to treaty benefits may file a Tax Treaty Relief Application ("**TTRA**") with ITAD after it has received the interest income with supporting documents specified in RMO No. 14-2021 in relation to RMC No. 77-2021. If the BIR determines that the withholding tax rate applied is higher than the rate that should have been applied, the BIR will issue a certificate confirming the non-resident income recipient's entitlement to treaty benefits, and the Bondholder may apply for a refund of excess withholding tax with the BIR within the two-year period provided in Section 229 of the Tax Code. The claim for refund of the Bondholder may be filed simultaneously with the tax treaty relief application.

For claims of tax exemption, RMC No. 8-2014 mandates withholding agents/income payors to require from individuals and entities claiming tax exemption a copy of a valid, current, and subsisting tax exemption certificate or ruling before payment of the related income. The tax exemption certificate or ruling must explicitly recognize the tax exemption, as well as the corresponding exemption from imposition of withholding tax. Failure on the part of the taxpayer to present the said tax exemption certificate or ruling shall subject him to the payment of the appropriate withholding taxes due on the transaction.

Transfers taking place in the Registry Book after the First Tranche Bonds are listed in PDEx may be allowed between taxable and tax-exempt entities without restriction provided the same are in accordance with the relevant rules, conventions and guidelines of PDEx and PDTC. A selling or purchasing Bondholder claiming tax-exempt status is required to submit the following documents to the Issuer, upon submission of account opening documents to the Registry: (i) a written notification of the sale or purchase, including the tax status of the selling or buying party, and (ii) an indemnity agreement wherein the new Bondholder undertakes to indemnify the Issuer for any tax that may later on be assessed on the Issuer on account of such transfer.

If the regular rate mentioned above is withheld by the Issuer, instead of the reduced rate, the Bondholder may file a claim for a refund from the BIR. However, because the refund process in the

Philippines could be cumbersome, requiring the filing of an administrative claim and the possible filing of a judicial appeal, it may be impractical to pursue such refund.

Value-Added Tax

Gross sales derived by dealers in securities from the sale of the First Tranche Bonds in the Philippines, equivalent to the gross selling price less than the acquisition cost of the First Tranche Bonds sold, shall be subject to a 12% value-added tax.

“Dealer in securities” means a merchant of stock or securities, whether an individual partnership or corporation, with an established place of business, regularly engaged in the purchase of securities and their resale to customers, that is, one who as a merchant buys securities and sells them to customers with a view to the gains and profits that may be derived therefrom.

Gross Receipts Tax

Banks and non-bank financial intermediaries performing quasi-banking functions are subject to gross receipts tax on gross receipts derived from sources within the Philippines in accordance with the following schedule:

On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived:

Maturity period is five (5) years or less: 5%
Maturity period is more than five (5) years: 1%

Non-bank financial intermediaries not performing quasi-banking functions doing business in the Philippines are likewise subject to gross receipts tax. Gross receipts of such entities derived from sources within the Philippines from interests, commissions and discounts from lending activities are taxed in accordance with the following schedule based on the remaining maturities of the instruments from which such receipts are derived:

Maturity period is five (5) years or less: 5%
Maturity period is more than five (5) years: 1%

In case the maturity period of the instruments held by banks, non-bank financial intermediaries performing quasi-banking functions and non-bank financial intermediaries not performing quasi-banking functions is shortened through pre-termination, then the maturity period shall be reckoned to end as of the date of pre-termination for purposes of classifying the transaction and the correct rate shall be applied accordingly.

Net trading gains realized within the taxable year on the sale or disposition of the First Tranche Bonds] by banks and nonbank financial intermediaries performing quasi-banking functions are considered as gross receipts derived from sources within the Philippines, and shall be subject to gross receipts tax at the rate of 7%.

Documentary Stamp Tax

A documentary stamp tax is imposed upon the issuance of debt instruments issued by Philippine companies, such as the First Tranche Bonds], at the rate of ₱1.50 for each ₱200, or fractional part thereof, of the issue price of such debt instruments; provided that, for debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to 365 days.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, the property is situated in the Philippines, or where the object of the contract is located or used in the Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by the Issuer for its own account.

No documentary stamp tax is imposed on the subsequent sale or disposition of the First Tranche Bonds, trading of the First Tranche Bonds in a secondary market, or through an exchange, as long as there is no change in the maturity date or the material terms and conditions of the First Tranche Bonds].

<u>Taxation on Sale or Other Disposition of the First Tranche Bonds</u>

Income Tax

Under Section 32(B)(7)(g) of the Tax Code, gains realized from the sale, exchange or retirement of bonds, debentures and other certificates of indebtedness with a maturity date of more than five years (as measured from the date of issuance of such bonds, debentures or other certificates of indebtedness) (*i.e.*, Long Term Bonds) are exempt from income tax.

If the First Tranche Bonds are considered ordinary assets, gains from the sale or disposition of such First Tranche Bonds will be included in the computation of taxable income, which, after being reduced by the applicable deductions, is subject to the following graduated tax rates for Philippine citizens (whether residents or non-residents), or resident foreign individuals or non-resident aliens engaged in trade or business in the Philippines (selling or disposing of such First Tranche Bonds) effective January 2, 2023 and onwards:

Not over ₱250,000	0%
Over ₱250,000 but not over ₱400,000	15% of the excess over ₱250,000
Over ₱400,000 but not over ₱800,000	₱22,500 + 20% of the excess over ₱400,000
Over ₱800,000 but not over ₱2,000,000	₱102,500 + 25% of the excess over ₱800,000
Over ₱2,000,000 but not over ₱8,000,000	₱402,500 + 30% of the excess over ₱2,000,000
Over ₱8,000,000	₱2,202,500 + 35% of the excess over ₱8,000,000

For non-resident alien not engaged in trade or business, the gain from the sale of First Tranche Bonds within the Philippines shall be subject to the 25% final withholding tax.

If the First Tranche Bonds are considered as capital assets of individual Bondholders, gains from the sale or disposition of such First Tranche Bonds shall be subject to the same rates of income tax as if the Bonds were held as ordinary assets, except that if the gain is realized by an individual who held the Bonds for a period of more than twelve (12) months prior to the sale, only 50% of gain will be recognized and included in the computation of taxable income. On the other hand, if the First Tranche Bonds were held by an individual for a period of twelve (12) months or less, 100% of gain is included in the computation of the taxable income.

Gains derived by domestic corporations in general and resident foreign corporations on the sale or other disposition of the First Tranche Bonds, if such sale or disposition is made within the Philippines, are included in the computation of taxable income and are subject to a 25% regular corporate income tax, provided that domestic corporations with net taxable income not exceeding ₱5,000,000.00 and with total assets not exceeding ₱100,000,000 (excluding land on which the particular business entity's office, plant, and equipment are situated during the taxable year for which the tax is imposed) ("**Micro, Small, and Medium Enterprises**"), shall be taxed at 20% or minimum corporate income tax ("**MCIT**") at a rate of (i) 1% of gross income effective July 1, 2020 until June 30, 2023 and (ii) 2% thereafter.

Gross income derived by non-resident foreign corporations on the sale or other disposition of the First Tranche Bonds shall form part of their gross income and is subject to a 25% income tax unless a preferential rate is allowed under a tax treaty, subject to such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief.

Any gains realized by non-residents on the sale of the First Tranche Bonds may be exempt from Philippine income tax under an applicable tax treaty subject to such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief.

Estate and Donor‘s Tax

The transfer by a deceased person, whether a Philippine resident or a non-Philippine resident, to his heirs of the First Tranche Bonds shall form part of the gross estate of the deceased, which, after being reduced by the applicable deductions, shall be subject to an estate tax which is levied on the net estate of the deceased at 6%.

First Tranche Bonds gratuitously transferred by a Philippine resident, or, where the First Tranche Bonds have a Philippine situs, by a deceased non-resident alien holder through donation, shall form part of the gross gift of the Bondholder for the calendar year, which shall be subject to donor‘s tax of 6% computed on the basis of the total gifts in excess of ₱250,000.00 exempt gift made during the calendar year.

The estate or donor‘s taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor.

The estate tax and the donor‘s tax, in respect of the First Tranche Bonds, shall not be collected (a) if the deceased, at the time of death, or the donor, at the time of the donation, was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the deceased or donor was a citizen and resident, at the time of his death or donation, allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in the foreign country.

In case the First Tranche Bonds are transferred for less than an adequate and full consideration in money or money's worth, the amount by which the fair market value of the First Tranche Bonds exceeded the value of the consideration may be deemed a gift and may be subject to donor‘s taxes unless it can be proven that the transfer of property is made in the ordinary course of business (*i.e.*, a transaction which is *bona fide*, at arm’s length, and free from any donative intent), in which case, it will be considered as made for an adequate and full consideration in money.

Documentary Stamp Tax

No documentary stamp tax is imposed on the subsequent sale or disposition of the First Tranche Bonds, trading the First Tranche Bonds in a secondary market or through an exchange, provided that such sale or disposition does not constitute a renewal or extension of maturity of the First Tranche Bonds or carried with it a renewal or issuance of new instruments in the name of the transferee to replace the old ones. However, if the transfer constitutes a renewal or extension of the maturity of the First Tranche Bonds, documentary stamp tax is payable anew.

REGULATORY FRAMEWORK

The information in this section has been derived from various government and private publications or obtained from communications with various government agencies unless otherwise indicated and has not been prepared or independently verified by the Company or the Joint Issue Managers, Joint Lead Underwriters, and Joint Bookrunners or any of their respective affiliates or advisors. The information may not be consistent with other information compiled within or outside the Philippines.

The Generation Sector

Republic Act No. 9136, also known as the Electric Power Industry Reform Act of 2001 ("**EPIRA**"), provides that power generation shall not be considered a public utility operation. Thus, generation companies are not required to secure legislative franchises. However, generation companies must obtain a Certificate of Compliance ("**COC**") from the Energy Regulatory Commission ("ERC"), as well as health, safety and environmental clearances from the appropriate government agencies under existing laws.

Prior to the EPIRA, the generation sector has been dominated by the National Power Corporation ("**NPC**"). To introduce and foster competition in the sector, and, more importantly, to lessen the debt of NPC, the EPIRA mandates the total privatization of the generation assets and Independent Power Producer ("**IPP**") agreements of NPC, which exclude the assets devoted to missionary electrification through the NPC Small Power Utilities Group ("SPUG"). NPC is directed to transfer ownership of all the assets for privatization to a separate entity, Power Sector Assets and Liabilities Management Corporation ("**PSALM**"), which is specially tasked to manage the privatization. Beginning early 2004, PSALM has been conducting public bidding for the generation facilities owned by NPC.

Generation companies are also subject to the ERC's rules and regulations on abuse of market power and anti-competitive behavior. Generation companies are required to submit financial statements to determine abuse of market power and anti-competitive behavior. The ERC may impose fines and penalties for violation of the EPIRA and the Implementing Rules and Regulations policy on market power abuse, cross-ownership and anti-competitive behavior.

The goal of the EPIRA is for the generation sector to be open and competitive, with the private sector expected to take the lead in introducing additional generation capacity. Generation companies will compete either for contracts with various suppliers, electric cooperatives and private distribution utilities, or through spot sale transactions in the Wholesale Electricity Spot Market ("**WESM**"). Competition will be based largely on pricing, subject to availability of transmission lines to wheel electricity to the Grid and/or buyers. Recovery by distribution utilities of their purchased power cost is subject to review by the ERC to determine the reasonableness of the cost and to ensure that the distribution utilities do not earn any revenue therefrom. While generation charges are intended to be passed through to customers by distribution utilities, the process is not automatic. Upon commencement of Retail Competition and Open Access, generation rates, except those intended for the Captive Markets, will cease to be regulated.

Open Access is defined as the system of allowing any qualified person the use of electric power transmission and distribution system and associated facilities. On the other hand, Retail Competition refers to the provision of electricity to the contestable market by licensed suppliers through Open Access. Lastly, Captive Markets are electricity end-users who do not have the choice of a supplier of electricity.

In line with the Government's policy to promote competition within the generation sector, and additionally, to lessen the debt of NPC, the EPIRA required the privatization of all generation assets of the NPC. The EPIRA created PSALM, which is charged with the privatization of the assets of NPC.

As of March 2025, PSALM has successfully privatized and turned over thirty-three (33) generating assets sold with total capacity of 5,416.23MW seven (7) IPP contracts assigned to IPPAs with contracted capacity of 3,610.25 MW, and five (5) decommissioned plants.

Section 47(j) of the EPIRA prohibits NPC from incurring any new obligations to purchase power through bilateral contracts with generation companies or other suppliers. Also, NPC is only allowed to generate and sell electricity from generating assets and Independent Power Producer ("**IPP**") contracts that have not been disposed of by PSALM and also in SPUG areas.

Role of the Joint Congressional Energy Commission

The Joint Congressional Power Commission created pursuant to the EPIRA consists of fourteen (14) members selected from the members of the Philippine Senate and the House of Representatives. On April 12, 2019, Republic Act No. 11285 or the Energy Efficiency and Conservation Act ("**EEC**") was signed into law. Under this law, the Joint Congressional Power Commission was renamed to the Joint Congressional Energy Commission ("**JCEC**").

Its responsibilities and functions include, among others, the following:

1. Set the guidelines and overall framework to monitor and ensure the proper implementation of the EPIRA;
2. Endorse the PSALM initial privatization plan for approval by the President of the Philippines;
3. Ensure transparency, require the submission of reports from government agencies concerned on the conduct of public bidding procedures regarding privatization of NPC's generation and transmission assets;
4. Review and evaluate the adherence of industry participants to the objectives and timelines under the EPIRA;
5. Submit periodic reports to the President of the Philippines and Congress; and
6. Recommend necessary remedial legislation or executive measures to correct the inherent weaknesses in the EPIRA.

The initial term of the JCEC was 10 years from the effectivity of the EPIRA, or only until June 26, 2011. However, since key structural changes introduced in the EPIRA have yet to be carried out as well as the need to oversee the implementation of the Renewable Energy Act, the Philippine Congress issued Joint Resolution No. 1 on 26 July 2010 (which was passed by the Senate and the House of Representatives on June 6, 2011 and approved by the President of the Philippines on June 21, 2011) extending the term of the JCEC for another period of ten (10) years from June 26, 2011. On July 6, 2021, Republic Act No. 11571 was signed by the President removing the expiration term of the JCEC.

Competitive Market Devices

Wholesale Electricity Spot Market

A significant change introduced by the EPIRA is the organization and establishment of the WESM. The WESM shall provide a venue whereby generators may sell power, and at the same time suppliers and wholesale consumers can purchase electricity where no bilateral contract exists between the two. The WESM will also provide a venue for establishing merit order dispatch for generation companies whether or not they have bilateral contracts.

The EPIRA mandates the Department of Energy to establish the WESM within one (1) year from its effectivity and directs the DOE and the electric power industry participants to formulate detailed rules therefor. In June 2002, the DOE, in cooperation with electric power industry participants, promulgated detailed rules for the WESM. These rules provide a mechanism to set electricity prices that are not covered by bilateral contracts between electricity buyers and sellers.

On November 18, 2003, upon the initiative of the DOE, the PEMC was incorporated as a non-stock, non-profit corporation with membership comprising of an equitable representation of electricity industry participants and chaired by the DOE. The PEMC acts as the autonomous market group operator and the governing arm of the WESM. The PEMC was tasked to undertake the preparatory work for the establishment of the WESM pursuant to Section 30 of the EPIRA and in accordance with the WESM Rules. As provided in the EPIRA, PEMC transferred the operations of the WESM to the Independent Electricity Market Operator of the Philippines ("**IEMOP**") on September 26, 2018 upon the endorsement of the DOE and the electric power industry market participants.

Retail Electricity Supply Licenses

ERC issued revised licensing regulation for RES companies operating in the Retail Supply Segment on November 25, 2013 through ERC Resolution No. 22, Series of 2023. The items amended include the following:

1. Restriction for Generator, IPP administrators and distribution utilities affiliates in securing license as a RES Company;
2. Transfer of live Retail Supply Contracts ("**RSCs**") for RES with expired license to another licensed RES;
3. Determination of full retail competition to be made by ERC not later than June 25, 2015;
4. Contracted capacities of RES affiliates to be included in the grid limitations imposed on Generation Companies;
5. End-user affiliate RES limited to supplying up to fifty percent (50%) of its total contestable customer affiliates;
6. RES companies are limited to procuring up to fifty (50%) of its generation requirements from affiliate Generation Companies;
7. Annual submission of five-year Business Plan; and
8. Submission of live Retail Supply Contracts for review by the ERC.

Since ERC Resolution No. 22, Series of 2013 limits the retail suppliers and creates non-assurance of renewal of RES license for existing retailers, the Retail Electricity Suppliers Association challenged its legality at the Pasig RTC. The Supreme Court, however, enjoined the hearing of the case and allowed the DOE and ERC to implement the Resolution. On November 29, 2017, the DOE issued Department Circular No. DC 2017-12-0014 which provides for policies on the implementation of RCOA for RES in the Philippine Electric Power Industry.

The ERC subsequently mandated Contestable Customers to enter into a RES supply contract with a RES by December 26, 2016 or be meted a penalty of either disconnection or payment of a 10% premium on their contract price or the WESM price, whichever is higher. The deadline was later extended to February 27, 2017.

On February 21, 2017, or six (6) days before the extended deadline, the Supreme Court issued a TRO which in effect suspended the deadline for the mandatory migration. On November 29, 2017, the DOE issued Department Circular No. DC 2017-12-0013 which provides for policies on the implementation of RCOA for Contestable Consumers in the Philippine Electric Power Industry. Bayan Muna has filed an intervention in the Supreme Court, seeking to clarify whether the TRO covered portions of Department Circular No. DC 2017-12-0013.

On December 3, 2020, the ERC approved a new timeline for the implementation of RCOA, allowing those who meet the 500 kW threshold to switch to the Competitive Retail Electricity Market starting February 26, 2021.

In a Decision dated March 2, 2021, the Supreme Court ruled that the nature of migration to the retail market is voluntary, not mandatory, and that DUs may participate as a RES. It ordered the Energy Regulatory Commission to promulgate guidelines supporting DOE Department Circular No. DC2017-12-0013 and DC2017-12-0014.

On August 14, 2024, the ERC issued its Omnibus Rules for Customer Choice Programs in the Retail Market (ERC Resolution No. 13, series of 2024). Module C of the Omnibus Rules provides the legal, technical and managerial capability, and financial capability requirements for new RES License Applications and renewals.

Reserve Market

The DOE issued Department Circular No. DC2013-12-0027, "Declaring the Commercial Launch for the Trading of Ancillary Service in Luzon and Visayas under the Philippine Wholesale Electricity Spot Market" dated December 2, 2013. The said Department Circular sets the responsibility of the PEMC, National Grid Corporation of the Philippines ("**NGCP**"), National Electrification Administration ("**NEA**") and all WESM Members with regard to the operation of the Reserve Market.

The trial operations started on February 26, 2014, and PEMC is still reviewing its results before certifying market readiness. The Pricing and Cost Recovery Mechanism of the Reserve Market is still under review by the ERC under ERC Case No. 2007-004RC.

On March 26, 2014, the DOE declared the commercial launch date of the Reserve Market on May 26, 2014, subject to the approval by the ERC. It also directed the implementation of the Central Scheduling and Dispatch of Energy and Contracted Reserves which aims to provide better monitoring of all available generation capacity in both energy and reserve and provide more preparations to the participants for the eventual commercial operation of the Reserve Market. The launch was deferred pending regulatory approval.

On December 2, 2014, the DOE approved the adoption of the Protocol for the Central Scheduling and Dispatch of Energy and Contracted Reserves as well as the WESM Market Manual on the Protocol. The implementation of the Protocol shall immediately cease upon the commercial operation of the Reserve Market or upon declaration of its cessation by the DOE.

On November 12, 2015, the DOE declared the commercial operation of the Central Scheduling and Dispatch of Energy and Contracted Reserves in the WESM.

In March 2021, the DOE issued Department Circular No. DC 2021-03-009 that adopts a framework for the operationalization of the Reserve Market in the WESM. The said Department Circular sets the guiding principles for the pricing and cost recovery, as well as the responsibilities of different industry participants that have a stake in the Reserve Market.

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

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

Through Advisory No. 2024-01-001-SEC, and pursuant to DOE DC No. 2023-09-0026, the DOE declared the commencement and full commercial operations of the reserve market beginning interval 0005 of January 26, 2024.

In March 2024, the ERC subsequently suspended the billing and settlement for the Price Determination Methodology (PDM) of the reserve market due to a significant increase in reserve costs, consequently suspending the reserves market. The ERC lifted the suspension of the Price Determination Methodology (PDM) of the reserve market in August 2024, enabling the full commercial operations of the reserve market to proceed.

On December 17, 2024, ERC issued A Resolution Setting the Interim Offer Price Cap and Floor Price as Mitigating Measures for the Trading Reserves in the Wholesale Electricity Spot Market (ERC Resolution No. 16, series of 2024), which set the Interim Offer Price Cap and Floor Price equivalent of PhP 25,000/MWh and PhP0/MWh, respectively, for the trading of Reserves in the WESM.

Implementation of Performance-based Rate Setting Regulation (PBR)

On December 13, 2006, the ERC issued the Rules for Setting Distribution Wheeling Rates for privately-owned distribution utilities entering PBR for the second and later entry points, setting out the manner in which this new PBR rate-setting mechanism for distribution-related charges will be implemented. PBR replaces the Return-on-Rate Base (RORB) mechanism which has historically determined the distribution charges paid by customers. Under PBR, the distribution-related charges that distribution utilities can collect from customers over a four-year regulatory period is set by reference to projected revenues which are reviewed and approved by the ERC and used by the ERC to determine the distribution utility's efficiency factor. For each year during the regulatory period, the distribution utility's distribution-related charges are adjusted upwards or downwards taking into consideration the utility's efficiency factor as against changes in overall consumer prices in the Philippines.

The ERC has also implemented a Performance Incentive Scheme (PIS) whereby annual rate adjustments under PBR will take into consideration the ability of a distribution utility to meet or exceed service performance targets set by the ERC, such as the: (i) average duration of power outages, (ii) average time of restoration to customers and (iii) average time to respond to customer calls, with utilities being rewarded or penalized depending on their ability to meet these performance targets.

Cotabato Light's 2nd Regulatory Period ended on March 31, 2013, while that of Visayan Electric and Davao Light ended on June 30, 2014. A reset process should have been initiated eighteen (18) months prior to the start of the 3rd Regulatory Period covering April 1, 2013 to March 31, 2017. The reset process, however, has been delayed due to the issuance of an Issues Paper on the Implementation of PBR for Distribution Utilities under the RDWR by the ERC in 2013. This paper aims to revisit various matters relating to the reset process. The ERC has solicited comments from industry participants and has been holding public consultations on the Issues Paper.

On December 2, 2021, the ERC issued Resolution No. 10, series of 2021, modifying the Rules for Setting the Distribution Wheeling Rates (RDWR) for private DUs, and Resolution No. 11, series of 2021, adopting a Regulatory Asset Base (RAB) Roll Forward Handbook. The RDWR and the RAB Handbook as adopted in these resolutions shall be applied in the next regulatory reset of AboitizPower Distribution Utilities.

The ERC directed the AboitizPower Distribution Utilities, through letters dated April 25, 2022, to file their respective Actual Weighted Average Tariff (AWAT) applications, guided by the 2021 RDWR mentioned above. Second entry group distribution utilities are required to file by August 25, 2022, third entry group distribution utilities by September 25, 2022 and fourth entry group distribution utilities by October 25, 2022. Cotabato Light has submitted its application, while Visayan Electric, Davao Light, and Subic Enerzone requested clarification on certain issues relating to the ERC's requests and are awaiting clarification from the ERC prior to filing.

In 2022, the First Entry Group (Meralco, Cagayan Electric, and Dagupan Electric Corporation) commenced their application for a regulatory reset, which should have started in July 2022. However, due to the delays in the resolution of the Application, the regulatory period began without the ERC's approval. This prompted Meralco to withdraw its application. Through ERC Resolution No. 17, series of 2024, the ERC decided to push back the next regulatory period of Meralco to commence from July 2025 up to 2029. DUs from the other entry groups, including the AboitizPower Distribution Utilities, are expected to commence their regulatory period thereafter after the regulatory resets of the First Entry Group are settled.

Competitive Selection Process

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

On October 20, 2015, the ERC issued ERC Resolution No. 13, Series of 2015 ("**ERC CSP Rules**") as the guidelines for the implementation of the 2015 DOE Circular. Under the ERC CSP Rules, a PSA may only be entered into by direct negotiation if the CSP fails twice. The CSP requirement would not apply to PSAs already filed with the ERC for approval as of the effectivity of the ERC CSP Rules. For PSAs which were already executed but were not yet filed with the ERC, and those that were still in the process of negotiation during the time of the effectivity of the ERC CSP Rules, the relevant distribution utility already had to comply with the CSP requirement before its PSA application would be accepted by the ERC. The ERC CSP Rules took immediate effect following its publication on November 7, 2015.

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

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

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

On October 14, 2021, the DOE published the Revised CSP, adding a fifth exemption for CSP, as any generating plant embedded in the DU using indigenous energy resources with a max capacity of 10MW for Luzon and 5 MW for Visayas and Mindanao DU. It also introduced the Alternative Mode of Procurement that allowed an Unsolicited Proposal (USP) as long as this fit into a New Technology as defined and to be verified by the DOE. This Unsolicited Proposal will still be opened for counter-proposals via a "Swiss challenge" for ensuring it has its own comparative bidding to get lower prices. If a new lower price beats the Unsolicited Proposal then the Original Proponent is given the option to match it and awarded as winner if it can else the counter-bidder with the lower price is awarded the PSA. Should the USP fail twice after being opened to comparative bidding only then will it be allowed to explore if direct negotiation is possible.

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

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

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

Government Approval Process

As set forth in the EPIRA, power generation is not considered a public utility operation. Thus, an entity engaged or intending to engage in the generation of electricity is not being required to secure a franchise. However, no person or entity may engage in the generation of electricity unless such person or entity has complied with the standards, requirements and other terms and conditions set by the ERC and has received a COC from the ERC to operate facilities used in the generation of electricity. A COC is valid for a period of five years from the date of issuance.

In addition to the COC requirement, a generation company must comply with technical, financial and environmental standards. A generation company must ensure that all its facilities connected to the grid meet the technical design and operational criteria of the Grid Code and Distribution Code promulgated by the ERC. In this connection, the ERC has issued "Revised Guidelines for the Financial Standards of Generation Companies," (ERC Resolution No. 03, Series of 2021) which revised the minimum financial capability standards for generation companies. Under the guidelines, a generation company is required to meet a minimum annual interest cover ratio or debt service coverage ratio of 1.25x throughout the period covered by its COC. For COC applications and renewals, the guidelines require the submission to the ERC of, among other things, comparative audited financial statements, a schedule of liabilities, and a five-year financial plan. For the duration of the COC, the guidelines also require a generation company to submit to the ERC audited financial statements and forecast financial statements for the next two fiscal years, among other documents. The failure by a generation company to submit the requirements prescribed by the guidelines may be a ground for the imposition of fines and penalties.

The ERC also governs the approval process for PSAs between distribution utilities and power suppliers. Under ERC Resolution No. 38, Series of 2006, Rule 20 (B), as amended by ERC Resolution No. 1, s. of 2021, the ERC specified the procedures for Applications for Approval of Power Supply Contract other than those covered by the Guidelines for the Setting and Approval of Electricity Generation Rates and Subsidies for Missionary Electrification Rates (ERC Res. No. 11, Series of 2005). Aside from the regulatory certificates from the SEC, BOI, DOE, and the like, the ERC also requires additional documentary support for PSA approval. For instance, they require financial data such as debt-to-equity ratios, project costs, annual interests, weighted average cost of capital, bank loans, to name a few. The ERC also requires a specification of the cash flow on the initial costs, operating & maintenance expenses, Minimum Energy Offtake, fuel costs, and the like. In addition, technical and economic characteristics of the generating plant such as the kWh generation (basis of maintenance allowance), installed capacity, mode of operation, and dependable capacity, also need to be presented for ERC approval.

In October 2023, ERC Resolution No. 16, Series of 2023 took effect which updated the process for PSA Applications. In particular, Article VII of the said Resolution describes the pre-filing process, filing of the application, review procedure, as well as the issuance of a provisional and final authority therefor. The said Resolution likewise distinguished the process and the documentary requirements for Financial PSAs, Physical PSAs, and Emergency PSAs. For Emergency PSAs, the ERC must render a determination on the validity of the Emergency situation within 30 days from filing of the Application, and then issue its Decision within 180 days from filing of the said Application. For regular PSAs, the ERC will first review the validity of the CSP conducted, and only if the CSP is determined to be valid will the ERC proceed to the determination of the reasonableness of the terms of the PSA, including its rate.

Under Republic Act No. 11234, or the Energy Virtual One-Stop Shop Act ("**EVOSS Act**"), the ERC has two hundred seventy (270) days to issue an action for quasi-judicial cases from the submission of a valid application.

Upon the introduction of RCOA, the rates charged by a generation company will no longer be regulated by the ERC, except rates for Captive Markets (which are determined by the ERC). In addition, since the establishment of the WESM, generation companies are now required to comply with the membership criteria and appropriate dispatch scheduling as prescribed under the WESM Rules.

In the course of developing a power plant, other permits, approvals and consents must also be obtained from relevant national, provincial and LGU authorities, relating to, among others, site acquisition, construction, operation, including environmental licenses and permits. See the section entitled "*Environmental Law*s" below.

Retail rates charged by Retail Suppliers to Contestable Customers will not require ERC approval, only the retail rates charged by Distribution Utilities to their Captive Customers will be subject to the approval of ERC.

For a further discussion of the laws and regulations applicable to the Issuer, please refer to pages [·] to [·] of the Prospectus.

FINANCIAL AND OTHER INFORMATION

The following pages set forth AboitizPower's audited consolidated financial statements as of December 31, 2024, 2023, and 2022.