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S. E. C. Registration Number

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(Company's Full Name)

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C	a	p	i	t	a	l		R	e	g	i	o	n		(N	C	R)

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

Julie Ann B. Domino-Pablo									
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Contact Person

(02) 5317-1000									
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Company Telephone Number

1	2		3	1
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Month Day
Fiscal Year

SEC Form 17-Q (2nd Quarter ended 30 June 2025)									
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FORM TYPE

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Month Day
Annual Meeting

Secondary License Type, If Applicable									
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Dept. Requiring this Doc.

Amended Articles Number/Section									
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Total No. of Stockholders									
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Total Amount of Borrowings									
Domestic					Foreign				

To be accomplished by SEC Personnel concerned

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**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

1. For the quarterly period ended June 30, 2025
2. Commission identification number CS2008-01099
3. BIR Tax Identification No 006-960-000-000
4. Exact name of issuer as specified in its charter
SAN MIGUEL GLOBAL POWER HOLDINGS CORP.
5. Philippines
Province, country or other jurisdiction
of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. **40 San Miguel Avenue, Wack-Wack Greenhills**
City of Mandaluyong City, Second District
National Capital Region **1550**
Address of issuer's principal office Postal Code
8. (632) 5317-1000
Issuer's telephone number, including area code
9. N/A
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Securities	Amount Outstanding (as of June 30, 2025) (In Thousands)
Series C Fixed Rate Bonds issued in July 2016	P4,756,310
Series F Fixed Rate Bonds issued in December 2017	3,609,020
Series J Fixed Rate Bonds issued in April 2019	6,923,100
Series K-L-M Fixed Rate Bonds issued in July 2022	40,000,000
Total	P55,288,430

Number of shares of stock and
debt outstanding (as of June 30, 2025)

Common Shares	4,785,493,800
Consolidated Total Liabilities (in Thousands)	P444,754,232

11. Are any or all of the securities listed on a Stock Exchange?
Yes [] No [✓]

If yes, state name of such Stock Exchange and the class/es of securities listed herein. N/A

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months.

Yes [☒] No [☐]

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

Yes [☒] No [☐]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

The unaudited consolidated financial statements of San Miguel Global Power Holdings Corp. ("San Miguel Global Power" or "Parent Company") and its subsidiaries (collectively, the "Group") as of and for the period ended June 30, 2025 (with comparative figures as of December 31, 2024 and for the period ended June 30, 2024) and Selected Notes to the Consolidated Financial Statements are hereto attached as **Annex "A"**.

Item 2. Management's Discussion and Analysis of Financial Position and Financial Performance.

The information required by Part III, Paragraph (A)(2)(b) of "Annex C" is attached hereto as **Annex "B"**.

PART II - OTHER INFORMATION

There are no other information to be disclosed under this Part II which has not been previously reported by San Miguel Global Power in a report under SEC Form 17-C.

SIGNATURES

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

Issuer **SAN MIGUEL GLOBAL POWER HOLDINGS CORP.**

Signature and Title **PAUL BERNARD D. CAUSON**
Chief Finance Officer/ Authorized Signatory

Date August 14, 2025

Signature and Title **RAMON U. AGAY**
Comptroller/ Authorized Signatory

Date August 14, 2025

SAN MIGUEL GLOBAL POWER HOLDINGS CORP.
(A Wholly-owned Subsidiary of San Miguel Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND DECEMBER 31, 2024
(In Thousands)


	<i>Note</i>	2025 (Unaudited)	2024 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	7, 21, 22	P85,993,087	P67,867,411
Trade and other receivables - net	8, 15, 21, 22	107,197,373	115,884,031
Inventories	9, 15	10,089,985	14,326,383
Prepaid expenses and other current assets	15, 21, 22	34,610,722	51,561,324
Total Current Assets		237,891,167	249,639,149
Noncurrent Assets			
Investments and advances - net	10	74,009,155	19,895,587
Property, plant and equipment - net	11	370,103,030	459,505,829
Right-of-use assets - net	6, 15	41,066,238	42,123,333
Goodwill and other intangible assets - net		70,226,962	71,736,078
Deferred tax assets		1,152,441	1,353,752
Other noncurrent assets	15, 21, 22	38,825,099	37,618,797
Total Noncurrent Assets		595,382,925	632,233,376
TOTAL ASSETS		P833,274,092	P881,872,525
LIABILITIES AND EQUITY			
Current Liabilities			
Loans payable	12, 21, 22	P28,500,000	P41,350,425
Accounts payable and accrued expenses	13, 15, 21, 22	93,602,612	144,101,704
Lease liabilities - current portion	6, 15, 21, 22	4,656,893	10,048,624
Income tax payable		82,251	79,614
Current maturities of long-term debt - net of debt issue costs	14, 21, 22	38,893,840	28,477,307
Total Current Liabilities		165,735,596	224,057,674
Noncurrent Liabilities			
Long-term debt - net of current maturities and debt issue costs	14, 21, 22	239,416,621	249,460,584
Deferred tax liabilities		17,025,949	23,978,387
Lease liabilities - net of current portion	6, 15, 21, 22	18,427,411	21,356,642
Other noncurrent liabilities	21, 22	4,148,655	3,994,059
Total Noncurrent Liabilities		279,018,636	298,789,672
TOTAL LIABILITIES		444,754,232	522,847,346

Forward

	<i>Note</i>	2025 (Unaudited)	2024 (Audited)
Equity	16		
Equity Attributable to Equity Holders of the Parent Company			
Capital stock		P4,785,494	P2,823,604
Additional paid-in capital		104,895,528	48,081,781
Senior perpetual capital securities		151,317,540	151,194,865
Redeemable perpetual capital securities		88,679,795	145,979,113
Equity reserves	10	3,646,278	(16,384,899)
Retained earnings		34,220,357	26,387,315
		387,544,992	358,081,779
Non-controlling Interests		974,868	943,400
Total Equity		388,519,860	359,025,179
TOTAL LIABILITIES AND EQUITY		P833,274,092	P881,872,525

*See accompanying Management Discussion and Analysis and
Selected Notes to Consolidated Financial Statements.*

Certified Correct:


PAUL BERNARD D. CAUSON
Chief Finance Officer / Authorized Signatory



SAN MIGUEL GLOBAL POWER HOLDINGS CORP.
(A Wholly-owned Subsidiary of San Miguel Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED JUNE 30, 2025 AND 2024
(In Thousands, Except Per Share Data)

	Note	2025	2024	For the Quarter Ended	
		(Unaudited)	(Unaudited)	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUES	15, 17	P80,147,315	P98,944,195	P37,650,540	P54,821,660
COST OF POWER SOLD	15, 18	54,043,200	72,468,409	24,592,905	38,927,743
GROSS PROFIT		26,104,115	26,475,786	13,057,635	15,893,917
SELLING AND ADMINISTRATIVE EXPENSES	8, 11	3,984,022	3,487,697	1,625,778	1,746,385
INCOME FROM OPERATIONS		22,120,093	22,988,089	11,431,857	14,147,532
INTEREST EXPENSE AND OTHER FINANCING CHARGES	6, 12, 14	(11,760,517)	(9,924,101)	(5,983,966)	(4,907,082)
INTEREST INCOME	7	1,676,375	435,746	868,113	214,467
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES - Net	10	4,351,029	180,790	2,788,443	203,658
OTHER INCOME (CHARGES) - Net	10, 19	21,652,635	(3,775,969)	513,018	(2,446,033)
INCOME BEFORE INCOME TAX		38,039,615	9,904,555	9,617,465	7,212,542
INCOME TAX EXPENSE		3,466,954	2,466,327	1,430,477	1,321,019
NET INCOME		P34,572,661	P7,438,228	P8,186,988	P5,891,523
Attributable to:					
Equity holders of the Parent Company		P34,540,754	P7,423,307	P8,163,804	P5,871,120
Non-controlling interests		31,907	14,921	23,184	20,403
		P34,572,661	P7,438,228	P8,186,988	P5,891,523
Earnings (Losses) Per Common Share Attributable to Equity Holders of the Parent Company					
Basic/Diluted	20	P5.87	(P1.78)	P1.06	(P0.14)

*See accompanying Management Discussion and Analysis and
Selected Notes to Consolidated Financial Statements.*

Certified Correct:

PAUL BERNARD D. CAUSON
Chief Finance Officer / Authorized Signatory

SAN MIGUEL GLOBAL POWER HOLDINGS CORP.
(A Wholly-owned Subsidiary of San Miguel Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED JUNE 30, 2025 AND 2024
(In Thousands)

	Note	2025 (Unaudited)	2024 (Unaudited)	For the Quarter Ended	
				2025 (Unaudited)	2024 (Unaudited)
NET INCOME		P34,572,661	P7,438,228	P8,186,988	P5,891,523
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that may not be reclassified to profit or loss					
Net gain on financial assets at fair value through other comprehensive income		22,950,139	-	-	-
Income tax expense		(688,117)	-	-	-
	10	22,262,022	-	-	-
Item that may be reclassified to profit or loss					
Gain (loss) on exchange differences on translation of foreign operations		(12,286)	26,947	(7,155)	19,656
OTHER COMPREHENSIVE INCOME (LOSS) - Net of tax		22,249,736	26,947	(7,155)	19,656
TOTAL COMPREHENSIVE INCOME		P56,822,397	P7,465,175	P8,179,833	P5,911,179
Attributable to:					
Equity holders of the Parent Company		P56,790,490	P7,450,254	P8,156,649	P5,890,776
Non-controlling interests		31,907	14,921	23,184	20,403
		P56,822,397	P7,465,175	P8,179,833	P5,911,179

*See accompanying Management Discussion and Analysis and
Selected Notes to Consolidated Financial Statements.*

Certified Correct:

PAUL BERNARD D. CAUSON
Chief Finance Officer / Authorized Signatory


SAN MIGUEL GLOBAL POWER HOLDINGS CORP.
(A Wholly-owned Subsidiary of San Miguel Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED JUNE 30, 2025 AND 2024
(In Thousands)

	Note	Equity Attributable to Equity Holders of Parent Company									Non-controlling Interests	Total Equity
		Capital Stock	Additional Paid-in Capital	Senior Perpetual Capital Securities	Redeemable Perpetual Capital Securities	Equity Reserves			Retained Earnings	Total		
						Equity Reserves	Translation Reserves	Reserve for Retirement Plan				
As at January 1, 2025 (Audited)		P2,823,604	P48,081,781	P151,194,865	P145,979,113	(P17,253,511)	P935,708	(P67,096)	P26,387,315	P358,081,779	P943,400	P359,025,179
Net income		-	-	-	-	-	-	-	34,540,754	34,540,754	31,907	34,572,661
Other comprehensive income (loss) - net of tax	10	-	-	-	-	22,262,022	(12,286)	-	-	22,249,736	-	22,249,736
Total comprehensive income (loss)		-	-	-	-	22,262,022	(12,286)	-	34,540,754	56,790,490	31,907	56,822,397
Issuance of capital stock	16, 23	1,961,890	56,813,747	-	-	-	-	-	-	58,775,637	-	58,775,637
Issuances of senior perpetual capital securities	16, 23	-	-	5,749,775	-	-	-	-	-	5,749,775	-	5,749,775
Deconsolidation of subsidiaries	10	-	-	-	-	-	-	-	33,680	33,680	-	33,680
Redemptions of:												
Senior perpetual capital securities	16, 23	-	-	(5,627,100)	-	(661,184)	-	-	-	(6,288,284)	-	(6,288,284)
Redeemable perpetual capital securities	16, 23	-	-	-	(57,299,318)	(1,557,375)	-	-	-	(58,856,693)	-	(58,856,693)
Share issuance costs		-	-	-	-	-	-	-	(7,641)	(7,641)	(439)	(8,080)
Distributions to holders of:												
Senior perpetual capital securities	16	-	-	-	-	-	-	-	(7,974,523)	(7,974,523)	-	(7,974,523)
Redeemable perpetual capital securities	16	-	-	-	-	-	-	-	(18,759,228)	(18,759,228)	-	(18,759,228)
Transactions with owners		1,961,890	56,813,747	122,675	(57,299,318)	(2,218,559)	-	-	(26,707,712)	(27,327,277)	(439)	(27,327,716)
As at June 30, 2025 (Unaudited)		P4,785,494	P104,895,528	P151,317,540	P88,679,795	P2,789,952	P923,422	(P67,096)	P34,220,357	P387,544,992	P974,868	P388,519,860
As at January 1, 2024 (Audited)		P2,823,604	P48,081,781	P161,767,709	P102,546,825	(P3,827,112)	P914,958	(P107,000)	P30,367,328	P342,568,093	P905,112	P343,473,205
Net income		-	-	-	-	-	-	-	7,423,307	7,423,307	14,921	7,438,228
Other comprehensive income - net of tax		-	-	-	-	-	26,947	-	-	26,947	-	26,947
Total comprehensive income		-	-	-	-	-	26,947	-	7,423,307	7,450,254	14,921	7,465,175
Issuance of redeemable perpetual capital securities	16, 23	-	-	-	43,480,764	-	-	-	-	43,480,764	-	43,480,764
Redemption of senior perpetual capital securities	16, 23	-	-	(40,186,954)	-	(4,852,808)	-	-	-	(45,039,762)	-	(45,039,762)
Distributions to holders of senior perpetual capital securities	16	-	-	-	-	-	-	-	(7,740,696)	(7,740,696)	-	(7,740,696)
Transactions with owners		-	-	(40,186,954)	43,480,764	(4,852,808)	-	-	(7,740,696)	(9,299,694)	-	(9,299,694)
As at June 30, 2024 (Unaudited)		P2,823,604	P48,081,781	P121,580,755	P146,027,589	(P8,679,920)	P941,905	(P107,000)	P30,049,939	P340,718,653	P920,033	P341,638,686

See accompanying Management Discussion and Analysis and Selected Notes to Consolidated Financial Statements.

Certified Correct:


PAUL BERNARD D. CAUSON
Chief Finance Officer / Authorized Signatory

SAN MIGUEL GLOBAL POWER HOLDINGS CORP.
(A Wholly-owned Subsidiary of San Miguel Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED JUNE 30, 2025 AND 2024
(In Thousands)

	<i>Note</i>	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		P38,039,615	P9,904,555
Adjustments for:			
Interest expense and other financing charges	6, 12, 14	11,760,517	9,924,101
Depreciation and amortization	11, 18	7,851,917	6,759,024
Retirement benefits costs		67,073	75,312
Reversal of allowance on trade receivables	8	-	(5,081)
Unrealized foreign exchange losses (gains) - net		(1,260,475)	3,730,034
Interest income	7	(1,676,375)	(435,746)
Equity in net earnings of associates and joint ventures - net		(4,351,029)	(180,790)
Gain on fair valuation of investment	10, 19	(21,933,046)	-
Operating income before working capital changes		28,498,197	29,771,409
Decrease (increase) in:			
Trade and other receivables - net		4,046,071	(8,876,690)
Inventories		993,818	3,885,839
Prepaid expenses and other current assets		(5,004,546)	(1,326,364)
Increase (decrease) in:			
Accounts payable and accrued expenses		10,402,555	24,098,887
Other noncurrent liabilities		(187,287)	95,493
Cash generated from operations		38,748,808	47,648,574
Interest income received		1,426,908	355,240
Income taxes paid		(610,645)	(963,136)
Interest expense and other financing charges paid		(12,481,091)	(9,432,813)
Net cash flows provided by operating activities		27,083,980	37,607,865
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from redemption of preferred shares	10	78,717,390	-
Additions to intangible assets		(1,620)	(8,613)
Advances paid to suppliers and contractors		(1,581,942)	(348,072)
Additions to property, plant and equipment	11	(3,719,899)	(28,795,083)
Cash of deconsolidated subsidiaries		(5,678,579)	-
Additions to investments and advances, net		(8,733,345)	(1,915,161)
Increase in other noncurrent assets		(25,781,925)	(489,010)
Net cash flows provided by (used in) investing activities		33,220,080	(31,555,939)

Forward

	Note	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of capital stock	16, 23	P58,775,637	P -
Proceeds from short-term borrowings	12, 23	58,000,000	69,080,000
Proceeds from long-term debts	14, 23	20,534,000	12,000,000
Proceeds from the issuance of senior perpetual capital securities - net	16, 23	5,749,775	-
Proceeds from the issuance of redeemable perpetual capital securities	16, 23	-	43,480,764
Payments of share issuance costs		(8,080)	-
Payments for redemption of senior perpetual capital securities	16, 23	(6,288,284)	(45,039,762)
Distributions paid to senior perpetual capital securities holders	16	(7,974,523)	(7,740,696)
Payments of lease liabilities	6, 23	(8,089,002)	(10,333,014)
Payments of long-term debts	14, 23	(18,323,117)	(27,005,976)
Distributions paid to redeemable perpetual capital securities holders	16	(18,759,228)	-
Payments for redemption of redeemable perpetual capital securities	16, 23	(58,856,693)	-
Payments of short-term borrowings	12, 23	(65,912,300)	(54,080,000)
Net cash flows used in financing activities		(41,151,815)	(19,638,684)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(1,026,569)	144,081
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		18,125,676	(13,442,677)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		67,867,411	31,659,442
CASH AND CASH EQUIVALENTS AT END OF PERIOD		7 P85,993,087	P18,216,765

*See accompanying Management Discussion and Analysis and
Selected Notes to Consolidated Financial Statements.*

Certified Correct:


PAUL BERNARD D. CAUSON
Chief Finance Officer / Authorized Signatory



(Amounts in Thousands)

[illegible]

SAN MIGUEL GLOBAL POWER HOLDINGS CORP.
(A Wholly-owned Subsidiary of San Miguel Corporation)
AND SUBSIDIARIES

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Thousands, Except Per Share Data and Number of Shares)

1. Reporting Entity

San Miguel Global Power Holdings Corp. (the “Parent Company”) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on January 23, 2008, and its primary purpose of business is to purchase, sell, assign, lease, develop, create security interest over, operate and dispose of all properties of every kind and description, including shares of stocks or other securities or obligations, created or issued by any corporation or other entity. The Parent Company has a perpetual corporate life in accordance with the Revised Corporation Code of the Philippines.

The accompanying interim consolidated financial statements comprise the financial statements of the Parent Company and its Subsidiaries (collectively referred to as the Group) and the Group’s interests in associates and joint ventures.

The Parent Company is a wholly-owned subsidiary of San Miguel Corporation (SMC). The ultimate parent company of the Group is Top Frontier Investment Holdings, Inc. (Top Frontier). SMC and Top Frontier are public companies under Section 17.2 of the Securities Regulation Code and whose shares are listed on The Philippine Stock Exchange, Inc. (PSE).

The Board of Directors (BOD) and the stockholders approved, on May 13, 2024 and June 4, 2024, respectively, the change of the Parent Company’s principal office and amendment of its Amended Articles of Incorporation to reflect the same, from 5th Floor, C5 Office Building Complex, #100 E. Rodriguez Jr. Ave., C5 Road, Bo. Ugong, Pasig City 1604, Metro Manila to No. 40 San Miguel Avenue, Wack-Wack Greenhills 1550, City of Mandaluyong, Second District, National Capital Region. On September 26, 2024, the Philippine SEC approved the application filed by the Parent Company.

2. Basis of Preparation

The interim consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*, and should be read in conjunction with the Group’s last annual audited consolidated financial statements as at and for the year ended December 31, 2024. They do not include all the information required for a complete set of Philippine Financial Reporting Standards (PFRS) Accounting Standards financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual audited consolidated financial statements.

The interim consolidated financial statements were approved and authorized for issue in accordance with a resolution by the BOD on August 12, 2025.

Basis of Measurement

The interim consolidated financial statements of the Group have been prepared on a historical cost basis except for the following items which are measured on an alternative basis on each reporting date:

Items	Measurement Basis
Financial assets at fair value through profit or loss	Fair value
Defined benefits retirement asset (liability)	Fair value of the plan assets less the present value of the defined benefits retirement obligation

Functional and Presentation Currency

The interim consolidated financial statements are presented in Philippine Peso, which is the functional currency of the Parent Company. All financial information is rounded off to the nearest thousand (P000), except when otherwise indicated.

Basis of Consolidation

The interim consolidated financial statements include the financial statements of the Parent Company and its subsidiaries. The major subsidiaries include the following:

	Percentage of Ownership	
	2025	2024
<i>Power Generation</i>		
Sual Power Inc. (SPI)	100	100
San Roque Hydropower Inc. (SRHI)	100	100
Limay Power Inc. (LPI)	100	100
Malita Power Inc. (MPI)	100	100
PowerOne Ventures Energy Inc. (PVEI)	100	100
Prime Electric Generation Corporation	100	100
Oceantech Power Generation Corporation	100	100
Masinloc Power Co. Ltd. (MPCL)	100	100
Power Ventures Generation Corporation	100	100
Mariveles Power Generation Corporation (MPGC)	95	95
SMC Global Light and Power Corp. (SGLPC)	100	100
Lucanin Solar Inc. (LSI)	51	100
South Premiere Power Corp. (SPPC)	33	100
Excellent Energy Resources Inc. (EERI)	33	100
<i>Retail and Other Power-related Services</i>		
SMGP BESS Power Inc. (SMGP BESS)	100	100
SMGP Kabankalan Power Co. Ltd. (SMGP Kabankalan)	100	100
SMC Power Generation Corp.	100	100

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are included in the interim consolidated financial statements from the date when the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. Intergroup balances and transactions, including intergroup unrealized profits and losses, are eliminated in preparing the interim consolidated financial statements.

Non-controlling interests represent the portion of profit or loss and net assets not attributable to the Parent Company and are presented in the consolidated statements of income, consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the equity attributable to equity holders of the Parent Company.

Non-controlling interests include the interests not held by the Parent Company in MPGC as at June 30, 2025 and December 31, 2024.

On January 27, 2025, the Parent Company's ownership interests in SPPC, EERI and Ilijan Primeline Industrial Estate Corp. (IPIEC) - a wholly-owned landholding subsidiary, were diluted from 100% to 33%, thereby resulting to loss of control over these subsidiaries (see Note 10).

3. Material Accounting Policy Information

The principal accounting policies adopted in the preparation of the interim consolidated financial statements of the Group are consistent with those followed in the most recent annual audited consolidated financial statements, except for the changes in accounting policies as explained below. The following changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending December 31, 2025.

The Philippine Financial and Sustainability Reporting Standards Council approved the adoption of a number of new and amendments to standards as part of PFRS Accounting Standards.

Adoption of Amendments to Standards

The Group has adopted the Lack of Exchangeability (Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*) effective January 1, 2025. The amendments clarify that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, an entity needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the entity because the currency is not exchangeable.

The adoption of the amendments to standards did not have a material effect on the interim consolidated financial statements.

New and Amendments to Standards Not Yet Adopted

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2025 and have not been applied in preparing the interim consolidated financial statements. Unless otherwise indicated, none of these is expected to have a significant effect on the interim consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures*). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Contracts Referencing Nature-dependent Electricity (Amendments to PFRS 9 and PFRS 7). The amendments clarify the application of the own-use exemption for contracts referencing electricity from nature-dependent renewable energy sources, amend the hedge accounting requirements to allow these contracts to be designated as hedging instruments if certain conditions are met, and introduce additional disclosure requirements on the impact of these contracts on the financial performance and future cash flow.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to two standards:
 - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.
 - Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:

- added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss; and
- replaced the term 'their transaction price (as defined in PFRS 15, *Revenue from Contracts with Customers*)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- PFRS 18, *Presentation and Disclosure in Financial Statements*, replaces PAS 1, *Presentation of Financial Statements*. The new standard introduces the following key requirements:
 - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss;
 - Management-defined performance measures are disclosed in a single note to the financial statements; and
 - Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

The Group continues to assess the impact of the above new and amendments to standards effective subsequent to 2025 on the interim consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the interim consolidated financial statements when these amendments are adopted.

4. Management's Use of Judgments, Estimates and Assumptions

In preparing these interim consolidated financial statements, management has exercised judgments, made accounting estimates and used assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those applied in the audited consolidated financial statements as at and for the year ended December 31, 2024.

5. Segment Information

Operating Segments

The Group's operations are segmented into three businesses: a) power generation, b) retail and other power-related services and c) others consistent with the reports prepared internally for use by the Group's chief operating decision maker in reviewing the business performance of the operating segments. The differing economic characteristics and activities of these operating segments make it more useful to users of the consolidated financial statements to have information about each component of the Group's profit or loss, assets and liabilities.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment, right-of-use assets, net of allowances, accumulated depreciation and amortization, and impairment, and other noncurrent assets. Segment liabilities include all operating liabilities and consist primarily of loans payable, accounts payable and accrued expenses, lease liabilities, and other noncurrent liabilities. Segment assets and liabilities do not include deferred taxes. Capital expenditures consist of additions to property, plant and equipment of each reportable segment.

Inter-segment Transactions

Segment revenues, expenses and performance include sales and purchases between operating segments. Such transactions are eliminated in consolidation.

The Group operates only in the Philippines which is treated as a single geographical segment.

Major Customers

The Group sells, retails and distributes power, through power supply agreements (PSAs), retail supply contracts, ancillary service procurement agreements and other power-related service agreements, either directly to customers (other generators, distribution utilities, including Manila Electric Company [Meralco], electric cooperatives, industrial customers and National Grid Corporation of the Philippines [NGCP]) or through the Philippine Wholesale Electricity Spot Market (WESM). Sale of power to external customers that represents 10% or more of the Group's total revenues, is as follows:

Customer	June 30	
	2025 (Unaudited)	2024 (Unaudited)
Meralco	P26,385,651	P40,650,120
WESM	17,533,569	19,203,008

For management reporting purposes, the Group's operating segments are organized and managed separately as follows:

Operating Segments

Financial information about reportable segments follows:

	For the Periods Ended June 30									
	Power Generation		Retail and Other Power-related Services		Others		Eliminations		Consolidated	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenues										
External	P59,887,966	P81,046,194	P19,512,044	P17,633,106	P747,305	P264,895	P -	P -	P80,147,315	P98,944,195
Inter-segment	9,856,802	8,502,935	9,707	-	997,669	957,437	(10,864,178)	(9,460,372)	-	-
	69,744,768	89,549,129	19,521,751	17,633,106	1,744,974	1,222,332	(10,864,178)	(9,460,372)	80,147,315	98,944,195
Costs and Expenses										
Cost of power sold	51,462,623	68,888,004	11,136,520	11,864,240	1,437,050	693,906	(9,992,993)	(8,977,741)	54,043,200	72,468,409
Selling and administrative expenses	4,013,625	2,631,376	1,089,420	700,946	132,435	994,522	(1,251,458)	(639,147)	3,984,022	3,487,697
	55,476,248	71,519,380	12,225,940	12,565,186	1,569,485	1,688,428	(11,244,451)	(9,816,888)	58,027,222	75,956,106
Segment Result	P14,268,520	P18,029,749	P7,295,811	P5,067,920	P175,489	(P466,096)	P380,273	P356,516	P22,120,093	P22,988,089
Interest expense and other financing charges									(11,760,517)	(9,924,101)
Interest income									1,676,375	435,746
Equity in net earnings of associates and joint ventures - net									4,351,029	180,790
Other income (charges) - net									21,652,635	(3,775,969)
Income tax expense									(3,466,954)	(2,466,327)
Consolidated Net Income									P34,572,661	P7,438,228

	As at and For the Periods Ended									
	Power Generation		Retail and Other Power-related Services		Others		Eliminations		Consolidated	
	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Other Information										
Segment assets	P530,411,577	P716,667,127	P93,295,121	P82,193,061	P284,585,268	P259,941,743	(P220,406,432)	(P269,914,823)	P687,885,534	P788,887,108
Investments and advances - net	7,855,442	7,251,335	261,409	256,211	310,228,007	284,502,022	(244,335,703)	(272,113,981)	74,009,155	19,895,587
Goodwill and other intangible assets - net									70,226,962	71,736,078
Deferred tax assets									1,152,441	1,353,752
Consolidated Total Assets									P833,274,092	P881,872,525
Segment liabilities	P299,518,323	P409,354,613	P33,854,831	P31,680,751	P64,415,110	P83,456,792	(P248,452,693)	(P303,640,702)	P149,335,571	P220,851,454
Long-term debt - net									278,310,461	277,937,891
Income tax payable									82,251	79,614
Deferred tax liabilities									17,025,949	23,978,387
Consolidated Total Liabilities									P444,754,232	P522,847,346
Capital expenditures	P9,216,573	P47,246,555	P2,445,189	P11,341,437	P52,528	P119,262	(P13,183)	(P5,370,685)	P11,701,107	P53,336,569
Coal, fuel oil and other consumables	27,168,925	92,265,094	3,334,599	9,498,823	-	5	-	-	30,503,524	101,763,922
Power purchases	17,003,607	45,622,234	5,472,214	10,639,701	-	-	(9,855,911)	(26,597,361)	12,619,910	29,664,574
Depreciation and amortization of property, plant and equipment, right-of-use assets and intangible assets	6,081,088	10,803,126	1,480,342	3,166,256	132,390	243,229	158,097	(39,743)	7,851,917	14,172,868
Noncash items other than depreciation and amortization	(27,535,300)	5,475,625	115,120	(133,165)	(57,297)	(162,631)	-	-	(27,477,477)	5,179,829

*Noncash items other than depreciation and amortization include gain on fair valuation of investment, equity in net earnings of associates and joint ventures, net unrealized foreign exchange losses (gains), retirement benefits cost, and impairment losses on trade receivables (net of reversals), property, plant and equipment.

6. Significant Agreements and Lease Commitments

Independent Power Producer (IPP) Administration (IPPA) Agreements

As a result of the biddings conducted by the Power Sector Assets and Liabilities Management Corporation (PSALM) for the Appointment of the IPP Administrator for the capacity of the following power plants, the Group was declared the winning bidder to act as IPP Administrator through the following appointed subsidiaries:

Subsidiary	Power Plant	Location
SPI	Sual Coal - Fired Power Station (Sual Power Plant)	Sual, Pangasinan Province
SRHI	San Roque Hydroelectric Multi- purpose Power Plant (San Roque Hydroelectric Power Plant)	San Roque, Pangasinan Province

SPPC also became the IPP Administrator for the Ilijan Power Plant, a natural gas-fired combined cycle power plant located in Ilijan, Batangas, in June 2010 until the Ilijan Power Plant was turned over to SPPC upon the expiration of the Ilijan IPPA Agreement in June 2022.

SPI served as the IPP Administrator for the Sual Power Plant from November 2009 until the end of the Sual IPPA Agreement term on October 24, 2024. Accordingly, PSALM turned over the Sual Power Plant to SPI on October 25, 2024.

The IPPA Agreements are with the conformity of the National Power Corporation (NPC), a government-owned and controlled corporation created by virtue of Republic Act (RA) No. 6395, as amended, whereby NPC confirms, acknowledges, approves and agrees to the terms of the IPPA Agreements and further confirms that for so long as it remains the counterparty of the IPP, it will comply with its obligations and exercise its rights and remedies under the original agreement with the IPP at the request and instruction of PSALM.

The IPPA Agreements include, among others, the following common salient rights and obligations:

- i. the right and obligation to manage and control the capacity of the power plant for its own account and at its own cost and risks;
- ii. the right to trade, sell or otherwise deal with the capacity (whether pursuant to the spot market, bilateral contracts with third parties or otherwise) and contract for or offer related ancillary services, in all cases for its own account and at its own cost and risks. Such rights shall carry the rights to receive revenues arising from such activities without obligation to account therefore to PSALM or any third party;
- iii. the right to receive a transfer of the power plant upon termination of the IPPA Agreement at the end of the cooperation period or in case of buy-out;
- iv. previously for SPI and SPPC, the right to receive an assignment of NPC's interest in existing short-term bilateral power supply contracts;
- v. the obligation to supply and deliver, at its own cost, fuel required by the IPP and necessary for the Sual Power Plant to generate the electricity required to be produced by the IPP;
- vi. maintain the performance bond in full force and effect with a qualified bank; and
- vii. the obligation to pay PSALM the monthly payments and energy fees in respect of all electricity generated from the capacity, net of outages.

Relative to the IPPA Agreements, SRHI has to pay PSALM monthly payments for 18 years until April 26, 2028, SPPC for 12 years until June 26, 2022 and SPI for 15 years until October 1, 2024. Energy fees amounted to P436,873 and P547,554 for the periods ended June 30, 2025 and 2024, respectively (see Note 18). SRHI renewed its performance bond amounting to US\$20,305 which will expire on January 25, 2026.

On June 16, 2015, SPPC renewed its performance bond amounting to US\$60,000 with a validity period of one year. This performance bond was subsequently drawn by PSALM on September 4, 2015, which is subject of an ongoing case (see Note 23).

The lease liabilities of SRHI are carried at amortized cost using the US Dollar and Philippine Peso discount rates of 3.30% and 7.90%, respectively.

The discount determined at inception of the agreement is amortized over the period of the IPPA Agreements and recognized as part of "Interest expense and other financing charges" account in the consolidated statements of income. Interest expense amounted to P418,825 and P809,950 for the periods ended June 30, 2025 and 2024, respectively.

The carrying amount of the San Roque Hydroelectric Power Plant under the IPPA lease arrangement with PSALM, presented under "Right-of-use assets - net" account in the consolidated statements of financial position, amounted to P27,938,814 and P28,440,709 as at June 30, 2025 and December 31, 2024, respectively.

The total cash outflows amounted to P2,112,624 and P10,997,796 for the periods ended June 30, 2025 and 2024, respectively.

Maturity analysis of lease payments as at June 30, 2025 and December 31, 2024 are disclosed in Note 21.

Power Sales Agreements (PSAs)

On March 20, 2024, LPI also executed a PSA with Meralco, pursuant to a competitive selection process conducted by Meralco for its 400 megawatts (MW) baseload power requirements, for the interim supply of 400 MW which took effect starting in August 2024 until February 2025.

On July 31, 2024, Meralco awarded in favor of SRHI a PSA for the supply of 340 MW (net) renewable energy mid-merit capacity to be sourced from the San Roque Hydroelectric Power Plant or other sources for a term of 10 years. On December 3, 2024, the Energy Regulatory Commission (ERC) issued the provisional authority to implement this Meralco PSA with modifications. The approval was received by SRHI only on May 2, 2025.

On September 2, 2024, Meralco awarded in favor of MPCL a PSA for the supply of 500 MW baseload capacity to be sourced from Units 3 and 4 of the Masinloc Coal-Fired Thermal Power Plant for a term of 15 years effective September 2025. As at report date, the application for the approval of the PSA of MPCL has been filed with and has yet to be approved by the ERC.

The PSA of Meralco with MPGC has been approved by the ERC on November 26, 2024, the approval of which was received on May 30, 2025.

7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash in banks and on hand		P41,871,121	P27,206,205
Short-term investments		44,121,966	40,661,206
	21, 22	P85,993,087	P67,867,411

Cash in banks earns interest at bank deposit rates. Short-term investments include demand deposits which can be withdrawn at any time depending on the immediate cash requirements of the Group and earn interest at short-term investment rates.

Interest income from cash and cash equivalents amounted to P1,580,978 and P331,060 for the periods ended June 30, 2025 and 2024, respectively.

8. Trade and Other Receivables

Trade and other receivables consist of:

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade		P75,473,358	P101,798,812
Non-trade		16,212,290	11,504,874
Amounts owed by related parties	10, 15	19,973,998	7,447,364
		111,659,646	120,751,050
Less allowance for impairment losses		4,462,273	4,867,019
	21, 22	P107,197,373	P115,884,031

Trade and other receivables are non-interest-bearing, unsecured and are generally on a 30-day term or an agreed collection period. The balance of trade receivables is inclusive of value-added tax (VAT) on the sale of power collectible from customers.

The movements in the allowance for impairment losses are as follows:

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period		P4,867,019	P2,665,606
Impairment losses		-	2,145,703
Reversal during the period		-	(5,081)
Deconsolidation of subsidiaries and others	10	(404,746)	60,791
Balance at end of period		P4,462,273	P4,867,019

There were no impairment losses recognized in the consolidated statements of income for the periods ended June 30, 2025 and 2024, respectively.

In 2024, certain trade receivables were collected and the related allowance for impairment losses recognized in prior years were reversed accordingly. Reversal of impairment losses on trade receivables recognized in the consolidated statements of income under “Selling and administrative expenses” account amounted to P5,081 for the period ended June 30, 2024.

9. Inventories

Inventories consist of:

		June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
Coal		P4,519,555	P5,695,799
Materials and supplies		5,110,638	5,992,159
Fuel oil	15	215,303	817,604
Liquefied Natural Gas (LNG)		-	1,585,329
Other consumables		244,489	235,492
		P10,089,985	P14,326,383

There were no inventory write-downs to net realizable value as at June 30, 2025 and December 31, 2024. Inventories charged to cost of power sold amounted to P30,503,524 and P47,701,485 for the periods ended June 30, 2025 and 2024, respectively (see Note 18).

10. Investments and Advances

Joint Investment with Meralco and Aboitiz Power Corporation (AboitizPower) into the Country's First Integrated LNG-to-Power Facility Projects in Batangas City

On March 1, 2024, Meralco PowerGen Corporation (MGen) and Therma NatGas Power, Inc. (TNGP, a subsidiary of AboitizPower), through their jointly owned entity, Chromite Gas Holdings Inc. (CGHI), have entered into binding agreements with the Parent Company and its relevant subsidiaries, for MGen and TNGP to jointly invest for a 67% equity interest in the Parent Company's gas-fired power plants, namely (i) the brownfield 1,278 MW Ilijan Power Plant owned by SPPC, (ii) the greenfield 1,320 MW Batangas Combined Cycle Power Plant (BCCPP) owned by EERI and (iii) land owned by IPIEC where the gas-fired power plant and related facilities of EERI as well as the Batangas LNG Terminal are located.

The transaction also involved the joint acquisition by CGHI and the Parent Company of Linseed Field Corporation (LFC), the owner of the Batangas LNG Terminal, which receives, stores and processes LNG to fuel SPPC's Ilijan Power Plant and for EERI's BCCPP.

The transaction has customary closing conditions and has been issued the requisite regulatory approvals, including the review and approval of the Philippine Competition Commission (PCC). On May 17, 2024, Top Frontier filed its application for the approval of the transaction with the PCC. On December 23, 2024, the PCC publicly disclosed its approval of the joint acquisition of power facilities and Batangas LNG Terminal by MGen, TNGP and the Parent Company, subject to certain commitments from the parties aimed at ensuring fair competition and promoting transparency in the power industry.

On January 27, 2025, the Parent Company completed the following transactions (collectively, the “Chromite Transaction”) pursuant to the agreements executed on March 1, 2024 with CGHI:

- Investment by CGHI of 67% equity interests in: (i) SPPC, (ii) EERI, and (iii) IPIEC.

As a result of this transaction, the Parent Company’s equity interests in SPPC, EERI and IPIEC were diluted from 100% to 33%, thereby resulting to a loss of control and deconsolidation of the assets and liabilities of the three subsidiaries from the books of the Parent Company, and the recognition of the 33% equity interests retained in SPPC, EERI and IPIEC at their fair market values totaling to P52,706,102, classified as “Investments in shares of stocks of associates” under “Investment and advances - net” account in the consolidated statement of financial position as at June 30, 2025, and the resulting revaluation gain of P21,933,046, included as part of “Other income (charges) - net” account, in the consolidated statement of income for the period ended June 30, 2025 (see Note 19).

The following summarizes the derecognized accounts at the deconsolidation date:

Current assets	P62,419,630
Noncurrent assets	99,364,389
Current liabilities	(71,747,551)
Noncurrent liabilities	(59,263,412)
Net assets	P30,773,056

- Acquisition by CGHI and the Parent Company of 67% and 32.98% equity interests, respectively, in LFC.

Total consideration paid by the Parent Company for the acquisition of 32.98% equity interests in LFC amounted to P4,340,406, classified as “Investments in shares of stocks of associates” under “Investment and advances - net” account in the consolidated statement of financial position as at June 30, 2025.

For the period ended June 30, 2025, the Group recognized share in net earnings of EERI, SPPC, IPIEC and LFC amounting to P3,505,218, presented under “Equity in net earnings of associates and joint ventures - net” account in the consolidated statements of income.

Subsequently, SPPC, EERI, and IPIEC redeemed and paid their respective redeemable preferred shares (RPS) issued to the Parent Company, previously recognized as investments in equity instruments classified as financial assets at fair value through other comprehensive income in the audited separate statement of financial position as at December 31, 2024 of the Parent Company, at the redemption price of P27,115,910, P48,641,209 and P2,960,271, respectively. Consequently, the Parent Company recognized a net gain on investments in equity instruments, on the difference between the total consideration and carrying value of the RPS, presented under “Equity reserves” account in the consolidated statement of financial position as at June 30, 2025 and under “Net gain on financial assets at fair value through other comprehensive income” account in the consolidated statement of comprehensive income for the period ended June 30, 2025.

Joint Agreement with Citicore Renewable Energy Corporation (CREC) for the Group's Solar Projects

On June 28, 2024, the Parent Company through its subsidiary, SGLPC, signed an agreement with CREC for a 153.5 MW peak solar power plant to be constructed in Barangay Lucanin, Mariveles, Province of Bataan, that is expected to be completed next year. The solar power plant to be owned by a subsidiary of SGLPC, LSI, shall be located in a property with an area of approximately 158 hectares owned by an affiliate. Upon commencement of operations, all capacity to be generated by the solar power plant shall be supplied to the Group or any of its affiliates under long-term energy supply contracts.

On May 21, 2025, CREC subscribed to 105,560 common shares of LSI at a subscription price of P100.00 per share or for a total subscription amount of P10,556. As a result of the subscription, CREC now owns 49% of the outstanding capital stock of LSI while SGLPC retains 51% equity interest in the same.

11. Property, Plant and Equipment

Property, plant and equipment consist of:

June 30, 2025 and December 31, 2024

	Note	Power Plants	Land and Leasehold Improvements	Other Equipment	Building	Capital Projects in Progress (CPIP)	Total
Cost							
January 1, 2024 (Audited)		P197,100,391	P15,291,863	P8,444,101	P4,947,573	P149,927,769	P375,711,697
Additions		2,738,578	1,276,495	368,710	33,470	48,919,316	53,336,569
Reclassifications and others		128,627,113	4,869,464	757,469	228,324	(56,747,414)	77,734,956
December 31, 2024 (Audited)		328,466,082	21,437,822	9,570,280	5,209,367	142,099,671	506,783,222
Additions		1,048,737	69,115	97,484	21,753	10,464,018	11,701,107
Deconsolidation of subsidiaries	10	(64,552,454)	(1,619,225)	(466,914)	(422,127)	(34,368,368)	(101,429,088)
Reclassifications		28,385,492	513,064	515,718	721,192	(27,149,019)	2,986,447
June 30, 2025 (Unaudited)		293,347,857	20,400,776	9,716,568	5,530,185	91,046,302	420,041,688
Accumulated Depreciation							
January 1, 2024 (Audited)		32,397,121	1,140,409	2,147,669	556,568	-	36,241,767
Depreciation		9,465,586	455,052	655,410	151,632	-	10,727,680
Reclassifications and others		-	96	27,903	-	-	27,999
December 31, 2024 (Audited)		41,862,707	1,595,557	2,830,982	708,200	-	46,997,446
Depreciation		6,463,551	253,246	410,319	75,124	-	7,202,240
Deconsolidation of subsidiaries	10	(4,231,395)	(8,720)	(28,729)	(36,290)	-	(4,305,134)
Reclassifications		(233,809)	(343)	(505)	(1,184)	-	(235,841)
June 30, 2025 (Unaudited)		43,861,054	1,839,740	3,212,067	745,850	-	49,658,711
Accumulated Impairment Losses							
January 1, 2024 (Audited)		-	-	244,956	-	-	244,956
Impairment		-	-	34,991	-	-	34,991
December 31, 2024 (Audited) and June 30, 2025 (Unaudited)		-	-	279,947	-	-	279,947
Carrying Amount							
December 31, 2024 (Audited)		P286,603,375	P19,842,265	P6,459,351	P4,501,167	P142,099,671	P459,505,829
June 30, 2025 (Unaudited)		P249,486,803	P18,561,036	P6,224,554	P4,784,335	P91,046,302	P370,103,030

June 30, 2024

	Power Plants	Land and Leasehold Improvements	Other Equipment	Building	CPIP	Total
Cost						
January 1, 2024 (Audited)	P197,100,391	P15,291,863	P8,444,101	P4,947,573	P149,927,769	P375,711,697
Additions	1,876,730	1,109,131	166,565	31,707	25,610,950	28,795,083
Reclassifications	22,618,298	3,682,122	197,899	202,015	(25,603,129)	1,097,205
Currency translation adjustments	-	125	941	-	-	1,066
June 30, 2024 (Unaudited)	221,595,419	20,083,241	8,809,506	5,181,295	149,935,590	405,605,051
Accumulated Depreciation						
January 1, 2024 (Audited)	32,397,121	1,140,409	2,147,669	556,568	-	36,241,767
Depreciation and amortization	4,258,335	204,866	309,932	74,271	-	4,847,404
Reclassifications	-	-	21,882	-	-	21,882
Currency translation adjustments	-	126	940	-	-	1,066
June 30, 2024 (Unaudited)	36,655,456	1,345,401	2,480,423	630,839	-	41,112,119
Accumulated Impairment Losses						
January 1, 2024 (Audited)	-	-	209,965	-	-	209,965
Impairment	-	-	34,991	-	-	34,991
June 30, 2024 (Unaudited)	-	-	244,956	-	-	244,956
Carrying Amount						
June 30, 2024 (Unaudited)	P184,939,963	P18,737,840	P6,084,127	P4,550,456	P149,935,590	P364,247,976

- a. Other equipment includes machinery and equipment, transportation equipment, office equipment and furniture and fixtures.
- b. CPIP pertains to the following:

- i. Expenditures of MPGC related to the construction of its 4 x 150 MW Circulating Fluidized Bed coal-fired power plant in Mariveles, Bataan (Mariveles Greenfield Power Plant).

Units 1, 2, 3 and 4 of the Mariveles Greenfield Power Plant were declared operational on March 28, September 26, and October 26, 2024, and January 9, 2025, respectively. Following the declarations, all CPIP costs related to all 4 units were reclassified to the appropriate property, plant and equipment account.

- ii. Projects of SMGP BESS for the construction of Battery Energy Storage System (BESS) facilities and gas turbine generators situated in various locations in the Philippines.

Following the start of commercial operations during the first quarter of 2024 of 3 BESS facilities located in Concepcion, Tarlac, Ormoc, Leyte and Jasaan, Misamis Oriental, and 3 additional BESS facilities in Gamu, Isabela, Lumban, Laguna and Tagoloan, Misamis Oriental in the first half of 2025, all CPIP costs related to these facilities were reclassified to the appropriate property, plant and equipment account.

- iii. Projects of MPCL for the construction of the Masinloc Power Plant Units 4 and 5, and related facilities.

Following the commercial operations of the 20 MWh Masinloc BESS Phase 2 in the first half of 2025, all related CPIP costs were reclassified to the appropriate property, plant and equipment account.

- iv. Projects of SMGP Kabankalan for the construction of its BESS facility in Kabankalan, Negros Occidental.

Following the commercial operations of the 10 MWh Kabankalan BESS Phase 2 in the first half of 2025, substantially all related CPIP costs were reclassified to the appropriate property, plant and equipment account.

- v. Various construction works relating to the respective power plant facilities of LPI and MPI.

Ongoing capital projects are expected to be completed up to 2027.

- c. Depreciation and amortization related to property, plant and equipment are recognized in the consolidated statements of income as follows:

		June 30	
		2025	2024
	Note	(Unaudited)	(Unaudited)
Cost of power sold	18	P6,837,934	P4,374,198
Selling and administrative expenses		364,306	473,206
		P7,202,240	P4,847,404

d. Reclassifications in 2025 and 2024 mainly pertain to:

- i. the Sual Power Plant and related facilities, which were reclassified from the “Right-of-use assets” and “Goodwill and other intangible assets - net” accounts following the expiration of its IPPA Agreement with PSALM and its turnover to SPI (see Note 6);
- ii. the portion of land where the Ilijan Power Plant is located that was previously leased by SPPC and subsequently acquired from PSALM in 2024; and
- iii. application of advances to contractors against progress billings for ongoing capital projects.

As at June 30, 2025 and December 31, 2024, certain property, plant and equipment amounting to P280,413,249 and P268,670,559 respectively, are pledged as security for syndicated project finance loans (see Note 14).

Certain fully depreciated property, plant and equipment with aggregate costs amounting to P6,791,460 and P6,660,416 as at June 30, 2025 and December 31, 2024, respectively, are still being used in the Group’s operations.

12. Loans Payable

Loans payable account consists of:

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Philippine Peso-denominated:			
Parent Company		P15,000,000	P28,736,000
SPI		13,500,000	-
SPPC		-	5,000,000
MPGC		-	383,800
		28,500,000	34,119,800
Foreign Currency-denominated:			
Parent Company		-	7,230,625
	21, 22	P28,500,000	P41,350,425

The loans are unsecured short-term loans obtained from various financial institutions, to partially refinance maturing obligations, for working capital and for general corporate purposes.

The interest rates applied for the Philippine Peso-denominated loans ranged from 5.90% to 7.17% and from 6.25% to 7.95% as at June 30, 2025 and December 31, 2024, respectively. The interest rate applied for foreign currency-denominated loan was 7.60% as at December 31, 2024.

Interest expense on loans payable amounted to P568,030 and P714,924 for the periods ended June 30, 2025 and 2024, respectively.

13. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of:

		June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
Trade		P13,956,707	P28,244,901
Non-trade		50,645,695	80,682,106
Output VAT		14,316,055	17,541,261
Amounts owed to related parties	15	10,567,196	11,608,134
Accrued interest	6, 12, 14	1,666,208	2,005,377
Withholding and other accrued taxes		2,447,376	4,006,200
Derivative liabilities not designated as cash flow hedge		3,375	13,725
	21, 22	P93,602,612	P144,101,704

Trade payables consist of payable related to energy fees, inventories and power purchases. These are generally on a 30-day term and are non-interest-bearing.

Non-trade payables include liability relating to payables to contractors, power rate adjustments, and other payables to the Government excluding output VAT and withholding taxes.

The methods and assumptions used to estimate the fair values of financial liabilities are discussed in Note 22.

14. Long-term Debt

Long-term debt consists of:

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Bonds			
<i>Parent Company</i>			
Philippine Peso-denominated:			
Fixed interest rate of 5.9077%, 7.1051% and 8.0288% maturing in 2025, 2028 and 2032, respectively		P39,698,162	P39,650,721
Fixed interest rate of 7.6000% maturing in April 2026		6,909,888	6,902,264
Fixed interest rate of 6.6250% maturing in December 2027		3,596,612	3,594,372
Fixed interest rate of 5.1792% maturing in July 2026		4,749,417	4,746,231
		54,954,079	54,893,588
Term Loans			
<i>Parent Company</i>			
Philippine Peso-denominated:			
Fixed interest rate, matured in May 2025 (a)		-	4,818,722
Fixed interest rate maturing in 2028		7,457,388	7,451,212
Fixed interest rate with maturities up to 2029		9,444,315	9,684,184
Foreign currency-denominated:			
Floating interest rate based on Secured Overnight Financing Rate (SOFR) plus margin, maturing in 2026		16,837,150	17,248,607
Floating interest rate based on SOFR plus margin, maturing in 2027		16,567,375	16,953,726
Floating interest rate based on SOFR plus margin, maturing in 2028 (b)		5,522,741	-
Floating interest rate based on SOFR plus margin, matured in May 2025 (b) (c)		-	5,769,644
Floating interest rate based on SOFR plus margin, maturing in 2027		16,677,896	17,084,579
Floating interest rate based on SOFR plus margin, settled in February 2025 (d)		-	2,880,001
Floating interest rate based on SOFR plus margin, maturing in 2030 (e)		5,534,664	-
<i>Forward</i>			

		June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
<i>Subsidiaries</i>			
Philippine Peso-denominated:			
Fixed interest rate with maturities up to 2029 (f)		P27,815,195	P29,414,962
Fixed interest rate with maturities up to 2030 (g)		12,792,555	13,410,025
Fixed interest rate with maturities up to 2033 (h)		37,536,907	38,502,565
Fixed interest rate with maturities up to 2034 (i)		41,246,406	31,853,575
Floating rate based on Bloomberg Valuation (BVAL) plus margin, with maturities up to 2030 (j)		5,479,298	6,049,990
Foreign currency-denominated:			
Fixed interest rate with maturities up to 2030 (k)		15,382,046	16,494,080
Floating interest rate based on SOFR plus margin, with maturities up to 2030 (k)		5,062,446	5,428,431
		223,356,382	223,044,303
	21, 22	278,310,461	277,937,891
Less current maturities		38,893,840	28,477,307
		P239,416,621	P249,460,584

- a. On May 28, 2025, the Parent Company fully paid the remaining balance amounting to P4,825,000, of its P5,000,000 fixed-rate 4-year term loan availed in May 2021 from a local bank, pursuant to the terms and conditions of the credit facility. The loan was paid using in part the proceeds of a short-term borrowing availed and cash generated from operations.
- b. The amount represents the US\$100,000 (equivalent to P5,452,756, net of transaction costs) availed by the Parent Company on May 19, 2025. This was drawn from a US\$100,000 credit facility, with option to increase up to US\$150,000, executed on May 13, 2025 with a group of foreign banks. The loan is subject to a floating interest rate based on SOFR plus margin and will mature in May 2028.
- The proceeds of the loan were used to refinance the US\$100,000 term loan that matured in May 2025.
- c. On May 19, 2025, the Parent Company fully paid the US\$100,000, 3-year term loan drawn on May 24, 2022, pursuant to the terms and conditions of the facility agreement executed in May 2022 with a group of foreign banks.
- d. On February 10, 2025, the Parent Company fully paid the US\$50,000 loan availed on October 31, 2023, pursuant to the terms and conditions of the facility agreement executed on October 24, 2023 with a foreign bank. The loan was paid using cash generated from operations.

- e. The amount represents the US\$100,000 (equivalent to P5,466,713, net of transaction costs) availed by the Parent Company on May 19, 2025. This was drawn from a US\$100,000 credit facility executed on May 9, 2025 with a foreign bank. The loan is subject to a floating interest rate based on SOFR plus margin and will mature in May 2030.

The proceeds of the loan will be used for general corporate purposes, including advances for capital expenditures, and payment of transaction-related fees, costs, expenses in relation to the facility.

- f. In 2025, LPI made partial payments amounting to P1,634,000 of its P44,000,000, 12-year term loan, pursuant to the terms and conditions of its Omnibus Loan and Security Agreement (OLSA) with a syndicate of local banks.
- g. In 2025, MPI made partial payments amounting to P648,372 of its P21,300,000, 12-year term loan, pursuant to the terms and conditions of its OLSA with a syndicate of local banks.

The loan includes amount payable to Bank of Commerce (BOC), an associate of entities under common control, amounting to P1,934,080 and P2,031,488 as at June 30, 2025 and December 31, 2024, respectively (see Note 15).

- h. In 2025, SMGP BESS made partial payments amounting to P1,000,000 of its P40,000,000, 10-year term loan, pursuant to the terms and conditions of its OLSA with a syndicate of local banks.

The loan includes amount payable to BOC amounting to P5,510,000 and P5,655,000 as at June 30, 2025 and December 31, 2024, respectively (see Note 15).

- i. On March 27, 2025, MPGC completed the additional drawdown amounting to P9,400,000 from its OLSA executed on December 17, 2024 with various local banks. The loan is subject to a fixed interest rate and will mature in December 2034.

The proceeds from the loan were used to finance the Mariveles Greenfield Power Plant project.

The loan includes amount payable to BOC amounting to P7,500,000 as at June 30, 2025 and December 31, 2024 (see Note 15).

- j. In 2025, MPCL made principal repayments amounting to P582,267 pursuant to the terms and conditions of its Amended Omnibus Refinancing Agreement (ORA).

The loan includes the P3,335,778 and P3,686,912 amount payable to BOC as at June 30, 2025 and December 31, 2024, respectively (see Note 15).

- k. On April 29, 2025, MPCL made principal repayments of loans from its Omnibus Expansion Facility Agreement (OEFA) amounting US\$16,328 (equivalent to P911,728).

Unamortized debt issue costs amounted to P2,883,823 and P3,069,044 as at June 30, 2025 and December 31, 2024, respectively. Accrued interest amounted to P1,596,146 and P1,905,165 as at June 30, 2025 and December 31, 2024, respectively. Interest expense amounted to P9,872,232 and P8,194,521 for the periods ended June 30, 2025 and 2024, respectively.

Valuation Technique for Peso-denominated Bonds

The market value was determined using the market comparison technique. The fair values are based on Philippine Dealing and Exchange Corp. (PDEX). The Bonds are traded in an active market and the quotes reflect the actual transactions in identical instruments.

The fair value of the Bonds, amounting to P56,525,326 and P57,219,517 as at June 30, 2025 and December 31, 2024, respectively, has been categorized as Level 1 in the fair value hierarchy based on the inputs used in the valuation techniques (see Note 22).

The debt agreements of the Parent Company, LPI, MPI, MPCL, SMGP BESS and MPGC impose a number of covenants including, but not limited to, maintenance of certain financial ratios throughout the duration of the term of the debt agreements. The terms and conditions of the debt agreements also contain negative pledge provision with certain limitations on the ability of the Parent Company and its material subsidiaries, LPI, MPI, MPCL, SMGP BESS and MPGC to create or have any outstanding security interest upon or with respect to any of the present or future business, undertaking, assets or revenue (including any uncalled capital) of the Parent Company or any of its material subsidiaries, LPI, MPI, MPCL, SMGP BESS and MPGC to secure any indebtedness, subject to certain exceptions.

The loans of LPI, MPI, SMGP BESS and MPGC are secured by real estate and chattel mortgages, on all present and future assets, amounting to P44,100,000, P21,325,000, P40,000,000 and P41,900,000, respectively, and reserves of LPI, MPI, SMGP BESS and MPGC as well as a pledge by the Parent Company of all its outstanding shares of stock in LPI, MPI, SMGP BESS and MPGC.

The loans of MPCL obtained from its Amended ORA and OEFA are secured by real estate and chattel mortgages, on all present assets (purchased under its asset purchase agreement, and all its rights in a land lease agreement, with PSALM) and all future assets as defined in its loan agreements, amounting to P8,155,000 and US\$525,000, respectively.

As at June 30, 2025 and December 31, 2024, the Group is in compliance with the covenants, including the required financial ratios, of the debt agreements.

The movements in debt issue costs are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	P3,069,044	P2,684,515
Additions	295,632	1,250,648
Capitalized amount	(223,391)	(467,613)
Amortization	(257,462)	(398,506)
Balance at end of period	P2,883,823	P3,069,044

Repayment Schedule

The annual maturities of the long-term debts as at June 30, 2025 are as follows:

Year	Gross Amount		Peso	Debt Issue Costs	Net
	US Dollar	Peso Equivalent of US Dollar			
July 1, 2025 to June 30, 2026	US\$334,125	P18,821,261	P20,382,378	P309,799	P38,893,840
July 1, 2026 to June 30, 2027	35,700	2,010,981	21,709,505	532,445	23,188,041
July 1, 2027 to June 30, 2028	737,275	41,530,701	54,199,381	1,173,183	94,556,899
July 1, 2028 to June 30, 2029	39,060	2,200,250	32,163,278	268,581	34,094,947
July 1, 2029 to June 30, 2030	140,845	7,933,798	13,344,145	257,158	21,020,785
July 1, 2030 and thereafter	178,868	10,075,606	56,823,000	342,657	66,555,949
	US\$1,465,873	P82,572,597	P198,621,687	P2,883,823	P278,310,461

Contractual terms of the Group's interest-bearing loans and borrowings and exposure to interest rate, foreign currency and liquidity risks are discussed in Note 21.

15. Related Party Disclosures

The Parent Company, certain subsidiaries and their shareholders, associates and joint ventures, purchase products and services from one another in the normal course of business. Transactions with related parties are made at normal market prices and terms. The Group requires approval of the BOD for certain limits on the amount and extent of transactions with related parties.

Amounts owed by/owed to related parties are collectible/will be settled in cash. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

The following are the transactions with related parties and the outstanding balances as at June 30, 2025 (Unaudited) and December 31, 2024 (Audited):

	Year	Revenues from Related Parties	Purchases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
SMC	2025 2024	P218,808 546,201	P2,216,215 4,388,136	P36,158 51,985	P6,820,787 6,849,349	On demand or 30 days; non-interest-bearing	Unsecured; no impairment
Entities under Common Control	2025 2024	4,258,264 7,941,539	1,987,585 4,606,848	1,819,089 1,810,683	10,614,809 11,503,950	On demand or 30 days; non-interest-bearing	Unsecured; no impairment
	2025 2024	- -	- -	8,645,305 8,645,305	- -	Installment basis up to 2026; interest-bearing	Unsecured; no impairment
Associates	2025 2024	2,112,981 1,298,826	- -	14,808,271 663,448	28,111 28,101	On demand or 30 days; non-interest-bearing	Unsecured; no impairment
	2025 2024	- 1,608	- -	- 2,129	- -	9 years; interest-bearing	Unsecured; no impairment
Joint Venture	2025 2024	69,184 33,598	1,489,320 1,028,812	79,155 5,011	323,609 427,591	30 days; non-interest-bearing	Unsecured; no impairment
	2025 2024	2,937 5,990	- -	168,347 180,732	- -	92 days and 1 year; interest-bearing	Unsecured; no impairment
	2025 2024	37,054 74,927	- -	1,612,196 1,564,475	- -	10.5 years; interest-bearing	Unsecured; no impairment
Associate and Joint Ventures of Entities under Common Control	2025 2024	- -	- -	481 481	1,157 1,157	30 days; non-interest-bearing	Unsecured; no impairment
	2025 2024	- -	530,907 952,088	- -	18,410,647 19,014,637	7 to 12 years; interest-bearing	Secured
	2025	P6,699,228	P6,224,027	P27,169,002	P36,199,120		
	2024	P9,902,689	P10,975,884	P12,924,249	P37,824,785		

- Amounts owed by related parties consist of trade and non-trade receivables, receivables pertaining to the sale of certain parcels of land and investments in 2022, included as part of "Trade and other receivables" and "Other noncurrent assets" accounts in the consolidated statements of financial position, prepayments for rent and insurance, and security deposits (see Note 8).
- Amounts owed to related parties consist of trade and non-trade payables including management fees, purchases of fuel, reimbursement of expenses, rent, insurance, services rendered, customers' deposits and subscriptions payable to Olongapo Electricity Distribution Company, Inc. (OEDC). As at June 30, 2025 and December 31, 2024, amounts owed to related parties for the lease of office space and parcels of land presented as part of "Lease liabilities - current portion" and "Lease liabilities - net of current portion" accounts in the consolidated statements of financial position amounted to P7,093,993 and P7,066,765, respectively.

- c. Amounts owed by associates mainly consist of advances granted and management/shared service fees charged to SPPC and EERI and interest-bearing loan granted to OEDC included as part of “Trade and other receivables” and “Other noncurrent assets” accounts in the consolidated statements of financial position (see Note 8).
- d. Amounts owed by a joint venture consists of interest-bearing loans granted and management fees charged to Angat Hydropower Corporation by PVEI included as part of “Trade and other receivables” and “Other noncurrent assets” accounts in the consolidated statements of financial position (see Note 8).
- e. Amounts owed to an associate and joint venture of entities under common control include interest-bearing long-term loans of MPI, MPCL, SMGP BESS and MPGC payable to BOC, amounting to P18,279,858 and P18,873,400, presented as part of “Long-term debt” account in the consolidated statements of financial position as at June 30, 2025 and December 31, 2024, respectively (see Note 14). These loans are secured by certain property, plant and equipment (see Note 11).
- f. The compensation of key management personnel of the Group, by benefit type, are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Short-term employee benefits	P116,042	P133,074
Retirement benefits costs	7,408	9,076
	P123,450	P142,150

There were no known transactions with parties that fall outside the definition “related parties” under PAS 24, *Related Party Disclosures*, but with whom the Group or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm’s length basis.

16. Equity

Capital Stock

The details of the Parent Company’s authorized, subscribed, issued and outstanding capital stock as at June 30, 2025 and December 31, 2024 are as follows.

	June 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Number of Shares	Amount	Number of Shares	Amount
Authorized – par value of P1.00	7,800,000,000	P7,800,000	3,774,400,000	P3,774,400
Subscribed capital stock:				
Balance at beginning of period	2,823,604,000	P2,823,604	2,823,604,000	P2,823,604
Subscription	1,961,889,800	1,961,890	-	-
Issued and outstanding	4,785,493,800	P4,785,494	2,823,604,000	P2,823,604

On March 6, 2025, the BOD of the Parent Company approved the following:

- subscription by SMC to 950,796,000 common shares out of the unissued capital stock of the Parent Company (“Subject Shares”) in cash, at a subscription price of P30.00 per share or for a total subscription amount of P28,523,880;
- increase in its authorized capital stock of the Parent Company by P4,025,600 (comprising of 4,025,600,000 shares with par value of P1.00), or from P3,774,400, divided into 3,774,400,000 shares with par value of P1.00 to P7,800,000, divided into 7,800,000,000 shares with par value of P1.00 (the “ACS Increase”); and
- subscription by SMC to 1,011,093,800 common shares out of the ACS Increase at P30.00 per share, or for a total subscription amount of P30,332,814.

On the same day, the Parent Company and SMC executed the respective Subscription Agreements covering the aforesaid subscriptions approved by the BOD.

On April 14, 2025, the stockholders of the Parent Company approved the ACS Increase and the amendment of the Amended Articles of Incorporation to reflect the ACS Increase and ratified the said subscription by SMC out of the ACS Increase. The application for the ACS Increase was approved by the Philippine SEC on May 16, 2025.

The subscription amounts were fully paid by SMC to Parent Company on April 7, 2025.

Accordingly, the Parent Company recognized additional paid-in capital (APIC) of P56,813,747, net of the share issuance cost paid amounting to P81,057.

Issuance of Senior Perpetual Capital Securities (SPCS)

On February 19, 2025, the Parent Company completed the issuance of another US\$100,000 SPCS (equivalent to P5,749,775, net of directly attributable transaction costs), at an issue price of 100.503% plus an amount corresponding to accrued distribution from and including December 2, 2024 to, but excluding, February 19, 2025. The US\$100,000 SPCS is consolidated into and form a single series with the US\$500,000 SPCS issued on December 2, 2024, bringing the total securities to US\$600,000. The US\$100,000 SPCS are identical in all respects with the US\$500,000 SPCS, other than with respect to the date of issuance and issue price.

The Parent Company intends to apply the net proceeds from the issuance of the US\$100,000 SPCS towards the partial purchase, repurchase and/or redemption of the outstanding 7.00% SPCS issued in October and December 2020.

The US\$100,000 SPCS was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on February 20, 2025.

Redemption of SPCS

On May 9, 2025, the Parent Company completed the redemption of its US\$113,282 remaining securities, with a net carrying value of P5,627,100, out of the US\$500,000 SPCS issued in November 2019, pursuant to the terms and conditions of the securities. The redemption price includes the principal amount and any accrued but unpaid distributions up to (but excluding) the redemption date.

The difference between the price paid and the net carrying value amounted to P661,184 and was recognized as part of the “Equity reserves” account in the consolidated statements of financial position.

Distributions to SPCS Holders

The Parent Company paid P7,974,523 and P7,740,696 to the SPCS holders in 2025 and 2024, respectively, as distributions in accordance with the terms and conditions of the relevant subscription agreements.

In July 2025, the Parent Company paid distributions amounting to US\$14,060 to holders of SPCS issued in January 2020.

Redemption of Redeemable Perpetual Capital Securities (RPCS)

On April 7, 2025, the Parent Company redeemed the following RPCS issued to SMC with a total carrying value of P57,299,318:

Date of Issuance	Initial Rate of Distribution	Amount of RPCS Issued	Amount of RPCS Redeemed
US Dollar-denominated:			
March 10, 2023	8.00%	US\$500,000	US\$500,000
November 8, 2022	6.25%	85,000	6,646
Philippine Peso-denominated:			
July 10, 2023	7.50%	P5,000,000	P5,000,000
June 13, 2023	7.50%	6,760,000	6,760,000
June 5, 2023	7.50%	5,000,000	5,000,000
June 1, 2023	7.50%	7,000,000	7,000,000
May 30, 2023	7.50%	6,000,000	6,000,000

The difference between the price paid and the net carrying value of the securities amounted to P1,557,375 and was recognized as part of the “Equity reserves” account in the consolidated statements of financial position.

Distributions to RPCS Holders

In 2025, the Parent Company paid distributions to RPCS holders, amounting to a total of P18,759,228 (including distributions in arrears of P14,617,039), in accordance with the terms and conditions of the relevant subscription agreements.

17. Revenues

Revenues consist of:

	Note	June 30	
		2025	2024
		(Unaudited)	(Unaudited)
Sale of power:			
Power generation and trading		P59,887,966	P81,046,194
Retail and other power-related services		19,512,044	17,633,106
Other services		747,305	264,895
	5, 15	P80,147,315	P98,944,195

Revenues from other services mainly pertain to operations and maintenance services rendered (see Note 15).

18. Cost of Power Sold

Cost of power sold consist of:

	<i>Note</i>	June 30	
		2025	2024
		(Unaudited)	(Unaudited)
Coal, fuel oil and other consumables	9, 15	P30,503,524	P47,701,485
Power purchases		12,619,910	14,922,011
Depreciation and amortization	11	7,362,394	6,187,613
Plant operations and maintenance, and other fees		3,120,499	3,109,746
Energy fees	6	436,873	547,554
	5	P54,043,200	P72,468,409

19. Other Income (Charges) - net

Other income (charges) consist of:

	<i>Note</i>	June 30	
		2025	2024
		(Unaudited)	(Unaudited)
Gain on fair valuation of investment	10	P21,933,046	P -
Marked-to-market gains (losses) on derivatives	22	(118,585)	198,915
Foreign exchange losses - net	21	(249,135)	(4,193,542)
Miscellaneous income		87,309	218,658
		P21,652,635	(P3,775,969)

20. Basic and Diluted Earnings (Losses) Per Share

Basic and diluted earnings (losses) per share is computed as follows:

	June 30	
	2025	2024
	(Unaudited)	(Unaudited)
Net income attributable to equity holders of the Parent Company	P34,540,754	P7,423,307
Distributions for the period to:		
RPCS holders	(5,311,750)	(5,302,830)
SPCS holders	(7,886,998)	(7,158,021)
Net income (loss) attributable to common shareholders of the Parent Company (a)	21,342,006	(5,037,544)
Weighted average number of common shares issued and outstanding (in thousands) (b)	3,636,033	2,823,604
Basic/Diluted Earnings (Losses) Per Share (a/b)	P5.87	(P1.78)

As at June 30, 2025 and 2024, the Parent Company has no dilutive debt or equity instruments.

The negative basic/diluted loss per common share in 2024 resulted mainly from the impact of foreign exchange losses and interest costs and other financing charges (including distributions to perpetual capital securities) for the Group's various financing activities. These were undertaken to fund the ongoing construction of several power plant expansion projects intended to significantly increase the capacities and modernize the existing power generation portfolio of the Group. These expansion projects, including, among others, the remaining sites of the ~1,000 MW BESS facilities and the 2 x 350 MW Masinloc Power Generation Units 4 and 5, are to commence commercial operations within the next two years (see Note 11). The projects' capacities are contracted and to be contracted to creditworthy offtakers such as Meralco and NGCP, and are expected to contribute significantly to the profitability of the Group in the coming years following the start of their commercial operations.

21. Financial Risk and Capital Management Objectives and Policies

Objectives and Policies

The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Liquidity Risk
- Credit Risk
- Market Risk (Interest Rate Risk, Foreign Currency Risk and Commodity Price Risk)

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Group include cash and cash equivalents, restricted cash, long-term receivables, loans payable, long-term debt and derivative instruments. These financial instruments, except derivative instruments, are used mainly for working capital management purposes. The trade-related financial assets and financial liabilities of the Group such as trade and other receivables, accounts payable and accrued expenses, lease liabilities and other noncurrent liabilities arise directly from and are used to facilitate its daily operations.

The outstanding derivative instruments of the Group, such as forwards, are intended mainly for risk management purposes. The Group uses derivatives to manage its exposures to foreign currency and commodity price risks arising from the operating and financing activities.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Group.

The risk management policies of the Group are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The BOD constituted the Audit and Risk Oversight Committee to assist the BOD in fulfilling its oversight responsibility of the Group's corporate governance process relating to the: a) quality and integrity of the consolidated financial statements and financial reporting process and the systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the consolidated financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance with tax, legal and regulatory requirements; e) evaluation of management's process to assess and manage the enterprise risk issues; and f) fulfillment of the other responsibilities set out by the BOD. The Audit and Risk Oversight Committee shall prepare such reports as may be necessary to document the activities of the committee in the performance of its functions and duties. Such reports shall be included in the annual report of the Group and other corporate disclosures as may be required by the Philippine SEC and/or the PDEx.

The Audit and Risk Oversight Committee also oversees how management monitors compliance with the risk management policies and procedures of the Group and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Internal Audit assists the Audit and Risk Oversight Committee in monitoring and evaluating the effectiveness of the risk management and governance processes of the Group. Internal Audit undertakes both regular and special reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Oversight Committee.

Liquidity Risk

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall under normal and stress circumstances.

The Group's objectives to manage its liquidity risk are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; (c) to be able to access funding when needed at the least possible cost; and (d) to maintain an adequate time spread of refinancing maturities.

The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary. The Group also uses derivative instruments such as forwards to manage liquidity.

The table below summarizes the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management:

June 30, 2025 (Unaudited)	Carrying Amount	Contractual Cash Flow	1 Year or Less	>1 Year - 2 Years	>2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P85,993,087	P85,993,087	P85,993,087	P -	P -	P -
Trade and other receivables - net	103,297,463	103,297,463	103,297,463	-	-	-
Long-term receivables (including current portion)	14,109,767	14,109,767	3,690,431	8,475,999	1,630,256	313,081
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets" accounts)	12,788,445	12,788,445	8,080,970	3,013,633	1,693,822	20
Financial Liabilities						
Loans payable	28,500,000	29,333,806	29,333,806	-	-	-
Accounts payable and accrued expenses	76,546,660	76,546,660	76,546,660	-	-	-
Derivative liabilities not designated as cash flow hedge (included under "Accounts payable and accrued expenses" account)	3,375	3,375	3,375	-	-	-
Long-term debt - net (including current maturities)	278,310,461	356,114,597	59,230,445	41,156,923	180,683,112	75,044,117
Lease liabilities (including current portion)	23,084,304	25,925,368	4,911,069	6,196,346	6,469,541	8,348,412
Other noncurrent liabilities	533,117	533,117	-	411,181	121,936	-

*Excluding statutory receivables and payables.

December 31, 2024 (Audited)	Carrying Amount	Contractual Cash Flow	1 Year or Less	>1 Year - 2 Years	>2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P67,867,411	P67,867,411	P67,867,411	P -	P -	P -
Trade and other receivables - net	110,776,695	110,776,695	110,776,695	-	-	-
Long-term receivables (including current portion)	14,140,044	14,140,044	5,104,369	7,393,836	1,352,637	289,202
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets" accounts)	8,495,006	8,495,006	3,865,243	2,973,551	1,656,202	10
Financial Liabilities						
Loans payable	41,350,425	41,662,148	41,662,148	-	-	-
Accounts payable and accrued expenses	122,229,914	122,229,914	122,229,914	-	-	-
Derivative liabilities not designated as cash flow hedge (included under "Accounts payable and accrued expenses" account)	13,725	13,725	13,725	-	-	-
Long-term debt - net (including current maturities)	277,937,891	362,378,837	49,276,576	60,537,755	170,496,680	82,067,826
Lease liabilities (including current portion)	31,405,266	40,231,022	10,324,934	6,169,050	9,646,282	14,090,756
Other noncurrent liabilities	502,869	502,869	-	199,972	183,678	119,219

*Excluding statutory receivables and payables.

Credit Risk

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other receivables. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Trade and Other Receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry in which customers operate, as these factors may have an influence on the credit risk.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Group ensures that sales on account are made to customers with appropriate credit history. The Group has detailed credit criteria and several layers of credit approval requirements before engaging a particular customer or counterparty. The review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed on a regular basis. Customers that fail to meet the benchmark creditworthiness may transact with the Group only on a prepayment basis.

Financial information on the Group's maximum exposure to credit risk, without considering the effects of other risk mitigation techniques, is presented below:

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash and cash equivalents (excluding cash on hand)	7	P85,990,541	P67,864,985
Trade and other receivables - net*	8	103,297,463	110,776,695
Long-term receivables		14,109,767	14,140,044
Restricted cash		12,788,445	8,495,006
		P216,186,216	P201,276,730

*Excluding statutory receivables

The table below presents the Group's exposure to credit risk and shows the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month ECL or lifetime ECL. Financial assets that are credit-impaired are separately presented.

June 30, 2025 (Unaudited)	Financial Assets at Amortized Cost			Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit Impaired	
Cash and cash equivalents (excluding cash on hand)	P85,990,541	P -	P -	P85,990,541
Trade and other receivables	-	103,297,463	4,462,273	107,759,736
Long-term receivables	-	14,109,767	-	14,109,767
Restricted cash	12,788,445	-	-	12,788,445
	P98,778,986	P117,407,230	P4,462,273	P220,648,489

December 31, 2024 (Audited)	Financial Assets at Amortized Cost			Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit Impaired	
Cash and cash equivalents (excluding cash on hand)	P67,864,985	P -	P -	P67,864,985
Trade and other receivables	-	110,776,695	4,867,019	115,643,714
Long-term receivables	-	14,140,044	-	14,140,044
Restricted cash	8,495,006	-	-	8,495,006
	P76,359,991	P124,916,739	P4,867,019	P206,143,749

Receivables that are not credit impaired are considered high grade since the customers or counterparties have strong financial capacity and business performance and with the lowest default risk.

The aging of trade and other receivables (excluding statutory receivables) is as follows:

	June 30, 2025 (Unaudited)				December 31, 2024 (Audited)			
	Trade	Non-trade	Amounts Owed by Related Parties	Total	Trade	Non-trade	Amounts Owed by Related Parties	Total
Current	P47,126,906	P13,303,444	P11,250,970	P71,681,320	P57,027,864	P4,845,403	P1,089,041	P62,962,308
Past due:								
1 - 30 days	1,878,909	23,644	1,240,575	3,143,128	12,002,438	45,266	365,300	12,413,004
31 - 60 days	857,930	19,154	904,269	1,781,353	2,030,425	15,809	81,464	2,127,698
61 - 90 days	708,554	83,942	928,339	1,720,835	1,042,048	9,942	13,071	1,065,061
Over 90 days	24,697,389	2,536,297	2,199,414	29,433,100	29,696,037	6,209,073	1,170,533	37,075,643
	P75,269,688	P15,966,481	P16,523,567	P107,759,736	P101,798,812	P11,125,493	P2,719,409	P115,643,714

Past due trade receivables more than 30 days pertain mainly to generation charges and output VAT. The Group believes that the unimpaired amounts that are past due and those that are neither past due nor impaired are still collectible based on historical payment behavior and analyses of the underlying customer credit ratings. There are no significant changes in their credit quality.

The Group computes impairment loss on receivables based on past collection experience, current circumstances and the impact of future economic conditions, if any, available at the reporting period. There are no significant changes in the credit quality of the counterparties during the period.

The Group's cash and cash equivalents and restricted cash are placed with reputable entities with high quality external credit ratings.

The Group has significant concentration of credit risk. Sale of power to Meralco accounts for 33% and 41% of the Group's total revenues for the periods ended June 30, 2025 and 2024, respectively.

The Group does not execute any credit guarantee in favor of any counterparty.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Group's exposure to changes in interest rates relates primarily to the long-term borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. On the other hand, borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group manages its interest cost by using an optimal combination of fixed and variable rate debt instruments. Management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up rates charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks.

On the other hand, the investment policy of the Group is to maintain an adequate yield to match or reduce the net interest cost from its borrowings pending the deployment of funds to their intended use in the operations and working capital management. However, the Group invests only in high-quality short-term investments while maintaining the necessary diversification to avoid concentration risk.

In managing interest rate risk, the Group aims to reduce the impact of short-term fluctuations on the earnings. Over the longer term, however, permanent changes in interest rates would have an impact on profit or loss.

The management of interest rate risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various standard and non-standard interest rate scenarios.

Interest Rate Risk Table

The terms and maturity profile of the interest-bearing financial instruments, together with its gross amounts, are shown in the following tables:

June 30, 2025 (Unaudited)	< 1 Year	1-2 Years	>2-3 Years	>3-4 Years	>4-5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated	P19,217,844	P20,544,971	P53,034,847	P30,998,744	P12,470,744	P56,823,000	P193,090,150
Interest rate	5.9077% to 8.6228%	5.1792% to 8.6228%	6.6250% to 8.6228%	7.5758% to 8.6228%	7.5758% to 8.2443%	7.5758% to 8.2443%	
Foreign currency-denominated (expressed in Philippine Peso)	1,446,273	1,513,023	1,579,775	1,655,426	1,731,077	7,580,694	15,506,268
Interest rate	8.3310%	8.3310%	8.3310%	8.3310%	8.3310%	8.3310%	
Floating Rate							
Philippine Peso-denominated	1,164,534	1,164,534	1,164,534	1,164,534	873,401	-	5,531,537
Interest rate	BVAL + Margin	BVAL + Margin	BVAL + Margin	BVAL + Margin	BVAL + Margin	BVAL + Margin	
Foreign currency-denominated (expressed in Philippine Peso)	17,374,988	497,958	39,950,926	544,824	6,202,721	2,494,912	67,066,329
Interest rate	SOFR + Margin	SOFR + Margin	SOFR + Margin	SOFR + Margin	SOFR + Margin	SOFR + Margin	
	P39,203,639	P23,720,486	P95,730,082	P34,363,528	P21,277,943	P66,898,606	P281,194,284

December 31, 2024 (Audited)	< 1 Year	1-2 Years	>2-3 Years	>3-4 Years	>4-5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated	P17,004,744	P22,339,154	P18,370,097	P48,394,411	P26,400,744	P59,538,372	P192,047,522
Interest rate	5.0000% to 8.6228%	5.1792% to 8.6228%	6.6250% to 8.6228%	7.1051% to 8.6228%	7.5758% to 8.6228%	7.5758% to 8.2443%	
Foreign currency-denominated (expressed in Philippine Peso)							
Interest rate	1,453,182 8.3310%	1,519,443 8.3310%	1,587,990 8.3310%	1,661,106 8.3310%	1,738,792 8.3310%	8,673,395 8.3310%	16,633,908
Floating Rate							
Philippine Peso-denominated	1,164,534	1,164,534	1,164,534	1,164,534	1,164,534	291,134	6,113,804
Interest rate	BVAL + Margin	BVAL + Margin	BVAL + Margin	BVAL + Margin	BVAL + Margin	BVAL + Margin	
Foreign currency-denominated (expressed in Philippine Peso)	9,155,013	17,853,571	35,229,629	546,693	572,260	2,854,535	66,211,701
Interest rate	SOFR + Margin	SOFR + Margin	SOFR + Margin	SOFR + Margin	SOFR + Margin	SOFR + Margin	
	P28,777,473	P42,876,702	P56,352,250	P51,766,744	P29,876,330	P71,357,436	P281,006,935

The sensitivity to a reasonably possible 1% increase in the interest rates, with all other variables held constant, would have decreased the Group's profit before tax (through the impact on floating rate borrowings) by P362,989 and P723,255 for the period ended June 30, 2025 and for the year ended December 31, 2024, respectively. A 1% decrease in the interest rate would have had the equal but opposite effect. These changes are considered to be reasonably possible given the observation of prevailing market conditions in those periods. There is no impact on the Group's other comprehensive income.

Foreign Currency Risk

The functional currency is the Philippine Peso, which is the denomination of the bulk of the Group's revenues. The exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Group. The risk management objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity. The Group enters into foreign currency hedges using derivative instruments, such as foreign currency forwards, to manage its foreign currency risk exposure.

Short-term currency forward contracts (non-deliverable) are entered into to manage foreign currency risks relating to foreign currency-denominated obligations and long-term borrowings.

Information on the Group's foreign currency-denominated monetary assets and monetary liabilities and their Philippine Peso equivalents is as follows:

		June 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Note	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
Assets					
Cash and cash equivalents	7	US\$728,207	P41,019,878	US\$168,440	P9,743,423
Trade and other receivables	8	285,459	16,079,916	198,748	11,496,606
Long-term receivables		34,399	1,937,698	33,855	1,958,324
		1,048,065	59,037,492	401,043	23,198,353
Liabilities					
Loans payable	12	-	-	125,000	7,230,625
Accounts payable and accrued expenses	13	712,240	40,120,471	1,288,607	74,539,484
Long-term debt (including current maturities)	14	1,465,873	82,572,597	1,432,200	82,845,609
Lease liabilities (including current portion)		150,300	8,466,400	277,111	16,029,502
		2,328,413	131,159,468	3,122,918	180,645,220
Net Foreign Currency-denominated Monetary Liabilities					
		US\$1,280,348	P72,121,976	US\$2,721,875	P157,446,867

The Group reported net losses on foreign exchange amounting to P249,135 and P4,193,542 for the periods ended June 30, 2025 and 2024, respectively, with the translation of its foreign currency-denominated assets and liabilities (see Note 19).

These mainly resulted from the movements of the Philippine Peso against the US dollar as shown in the following table:

	US Dollar to Philippine Peso
June 30, 2025	P56.330
December 31, 2024	57.845
June 30, 2024	58.610
December 31, 2023	55.370

The management of foreign currency risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various foreign currency exchange rate scenarios.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to translation of results and financial position of foreign operations):

	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
June 30, 2025 (Unaudited)				
Cash and cash equivalents	(P725,091)	(P695,552)	P725,091	P695,552
Trade and other receivables	(285,071)	(261,729)	285,071	261,729
Long-term receivables	(34,399)	(25,799)	34,399	25,799
	(1,044,561)	(983,080)	1,044,561	983,080
Accounts payable and accrued expenses	712,007	534,659	(712,007)	(534,659)
Long-term debt (including current maturities)	1,465,873	1,352,404	(1,465,873)	(1,352,404)
Lease liabilities (including current portion)	150,300	112,725	(150,300)	(112,725)
	2,328,180	1,999,788	(2,328,180)	(1,999,788)
	P1,283,619	P1,016,708	(P1,283,619)	(P1,016,708)

	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
December 31, 2024 (Audited)				
Cash and cash equivalents	(P165,301)	(P127,114)	P165,301	P127,114
Trade and other receivables	(198,734)	(149,068)	198,734	149,068
Long-term receivables	(33,855)	(25,391)	33,855	25,391
	(397,890)	(301,573)	397,890	301,573
Loans Payable	125,000	93,750	(125,000)	(93,750)
Accounts payable and accrued expenses	1,288,337	966,523	(1,288,337)	(966,523)
Long-term debt (including current maturities)	1,432,200	1,074,150	(1,432,200)	(1,074,150)
Lease liabilities (including current portion)	277,111	207,833	(277,111)	(207,833)
	3,122,648	2,342,256	(3,122,648)	(2,342,256)
	P2,724,758	P2,040,683	(P2,724,758)	(P2,040,683)

Exposures to foreign exchange rates vary during the year depending on the volume of foreign currency-denominated transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

Capital Management

The Group maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, distribution payment, pay-off existing debts, return capital to shareholders or issue new shares, subject to

compliance with certain covenants of its long-term debts, SPCS and RPCS (see Notes 14 and 16).

The Group defines capital as capital stock, APIC, SPCS, RPCS and retained earnings, both appropriated and unappropriated. Other components of equity such as equity reserves are excluded from capital for purposes of capital management.

The Group monitors capital on the basis of debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is defined as total current liabilities and total noncurrent liabilities, while equity is total equity as shown in the consolidated statements of financial position.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Group's business, operation and industry.

There were no changes in the Group's approach to capital management during the period.

22. Financial Assets and Financial Liabilities

The table below presents a comparison by category of the carrying amounts and fair values of the Group's financial instruments:

	June 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	P85,993,087	P85,993,087	P67,867,411	P67,867,411
Trade and other receivables - net*	103,297,463	103,297,463	110,776,695	110,776,695
Long-term receivables (including current portion)	14,109,767	14,109,767	14,140,044	14,140,044
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets" accounts)	12,788,445	12,788,445	8,495,006	8,495,006
	P216,188,762	P216,188,762	P201,279,156	P201,279,156
Financial Liabilities				
Loans payable	P28,500,000	P28,500,000	P41,350,425	P41,350,425
Accounts payable and accrued expenses*	76,546,660	76,546,660	122,229,914	122,229,914
Derivative liabilities not designated as cash flow hedge (included under "Accounts payable and accrued expenses" account)	3,375	3,375	13,725	13,725
Long-term debt - net (including current maturities)	278,310,461	295,533,752	277,937,891	295,112,421
Lease liabilities (including current portion)	23,084,304	23,084,304	31,405,266	31,405,266
Other noncurrent liabilities	533,117	533,117	502,869	502,869
	P406,977,917	P424,201,208	P473,440,090	P490,614,620

*Excluding statutory receivables and payables

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents, Trade and Other Receivables (excluding statutory receivables), Long-term Receivables, and Restricted Cash. The carrying amounts of cash and cash equivalents, and trade and other receivables approximate their fair values primarily due to the relatively short-term maturities of these financial

instruments. In the case of long-term receivables and restricted cash, the carrying amounts approximate their fair values, since the effect of discounting is not considered material.

Derivatives. The fair values of forward exchange contracts are calculated by reference to current forward exchange rates. In the case of freestanding currency and commodity derivatives, the fair values are determined based on quoted prices obtained from their respective active markets. Fair values for stand-alone derivative instruments that are not quoted from an active market and for embedded derivatives are based on valuation models used for similar instruments using both observable and non-observable inputs. The fair values of the derivatives have been categorized as Level 2 in the fair value hierarchy.

Loans Payable and Accounts Payable and Accrued Expenses (excluding statutory payables and Derivative Liabilities). The carrying amounts of loans payable and accounts payable and accrued expenses approximate their fair values due to the relatively short-term maturities of these financial instruments.

Lease Liabilities. The fair value is based on the present value of expected cash flows using the applicable discount rates based on current market rates of similar instruments. The fair value of lease liabilities has been categorized as Level 2 in the fair value hierarchy.

Long-term Debt and Other Noncurrent Liabilities. The fair value of interest-bearing fixed-rate loans is based on the discounted value of expected future cash flows using the applicable market rates for similar types of instruments as at reporting date. Discount rates used for Philippine Peso-denominated loans range from 5.21% to 6.91% and 5.65% to 6.16% as at June 30, 2025 and December 31, 2024, respectively. Discount rates used for foreign currency-denominated loans range from 3.89% to 4.25% and 4.20% to 5.99% as at June 30, 2025 and December 31, 2024, respectively. The carrying amounts of floating rate loans with quarterly interest rate repricing approximate their fair values.

The fair value of Peso-denominated bonds has been categorized as Level 1 and interest-bearing fixed-rate loans, lease liabilities and other noncurrent liabilities have been categorized as Level 2 in the fair value hierarchy.

Derivative Financial Instruments

The Group's derivative financial instruments according to the type of financial risk being managed and the details of freestanding derivative financial instruments that are categorized into those accounted for as cash flow hedges and those that are not designated as accounting hedges are discussed below.

The Group enters into various foreign currency and commodity derivative contracts to manage its exposure on foreign currency and commodity price risks. The portfolio is a mixture of instruments including forwards.

Derivative Instruments not Designated as Hedges

The Group enters into certain derivatives as economic hedges of certain underlying exposures. These include freestanding derivatives which are not designated as accounting hedges. Changes in fair value of these instruments are accounted for directly in the consolidated statements of income. Details are as follows:

Freestanding Derivatives

Freestanding derivatives consist of foreign currency derivatives entered into by the Group.

Currency Forwards

The Group entered into short-term foreign currency forward contracts with aggregate notional amount of US\$25,000 and US\$45,000 as at June 30, 2025 and December 31, 2024, respectively. As at June 30, 2025 and December 31, 2024, the negative fair value of these currency forwards included under “Accounts payable and accrued expenses” account amounted to P3,375 and P13,725, respectively (see Note 13).

The Group recognized marked-to-market gains (losses) from freestanding derivatives amounting to (P118,585) and P198,915 for the periods ended June 30, 2025 and 2024, respectively (see Note 19).

Fair Value Changes on Derivatives

The net movements in fair value of all derivative instruments are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	(P13,725)	(P13,925)
Net change in fair value of derivatives not designated as accounting hedge	(118,585)	104,350
	(132,310)	90,425
Less fair value of settled instruments	(128,935)	104,150
Balance at end of period	(P3,375)	(P13,725)

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

23. Other Matters

a. Contingencies

The Group is a party to certain cases or claims which are either pending decision by the court/regulators or are subject to settlement agreements. The outcome of these cases or claims cannot be presently determined.

i. *Temporary Restraining Order (TRO) Issued to Meralco*

On December 5, 2013, Meralco wrote the ERC requesting for clearance and authority: (i) to collect a generation charge of P7.90 per kWh in its December 2013 billings to its customers for its generation cost for the month of November 2013; and (ii) to defer to February 2014 the recovery of the remaining P3,000,000, representing a portion of the generation costs for the November 2013 supply month which was not passed on to customers in December 2013, subject to the inclusion of the appropriate carrying charge. In response thereto, the ERC, in its letter dated December 9, 2013, granted Meralco the authority to implement a staggered collection of its generation cost for the power supplied in November 2013. The ERC, however, did not approve Meralco's request to recover the carrying costs and directed it to file a formal application for this instead.

On December 19, 2013, Petitioners Bayan Muna representatives, et al. filed a petition against the ERC and Meralco, questioning the increase in the generation cost for November 2013 supply month. On December 20, 2013, Petitioner National Association of Electricity Consumers for Reforms (NASECORE) et al. filed a petition against the ERC, Department of Energy (DOE) and Meralco assailing the automatic adjustment of generation cost. On December 23, 2013, the Supreme Court (SC) issued a resolution consolidating both petitions and issued a TRO enjoining: (I) the ERC from implementing its letter dated December 9, 2013, and (II) Meralco from increasing the rates it charged to its consumers based on its letter dated December 5, 2013.

As a result, Meralco was constrained to fix its generation rate to its October 2013 level of P5.67 per kilowatt hours (kWh). The TRO originally had a period of 60 days.

On January 8, 2014, Meralco filed its Consolidated Comment/Opposition with Counter-Petition (the "Counter-Petition") which prayed, among others, for the inclusion of SPI, SPPC, SRHI, MPCL and several generators as respondents to the case. On January 10, 2014, the SC issued an order treating the Counter-Petition as in the nature of a third party complaint and granting the prayer to include SPI, SPPC, SRHI and MPCL as respondents in the Petition.

On February 18, 2014, the SC extended the TRO issued on December 23, 2013 for another 60 days or until April 22, 2014 and granted additional TROs enjoining the Philippine Electricity Market Corporation (PEMC) and the generators from demanding and collecting the deferred

amounts. In a Resolution dated April 22, 2014, the SC extended indefinitely the effectivity of the TROs issued on December 23, 2013 and February 18, 2014.

In the Petition filed by special interest groups, the SC was made aware of the order of the ERC dated March 3, 2014 (the "March 3, 2014 ERC Order") (as defined and discussed under "ERC Order Voiding WESM Prices"), in which the ERC declared void the WESM prices during the November and December 2013 supply months and imposed regulated prices in their stead. The March 3, 2014 ERC Order likewise directed PEMC to: (a) calculate these "regulated prices" based on a formula identified by the ERC as representative of 2013 market prices under normalized conditions and (b) to collect the same from the WESM participants involved.

A decision was promulgated by the SC En Banc on August 3, 2021 (the "SC Decision"), affirming the December 9, 2013 ERC Order, which approved the staggered imposition by Meralco of its generation rate for November 2013 from its consumers and declared as null and void the March 3, 2014 ERC Order. SPI, SPPC, and SRHI however received a copy of the SC Decision through their counsel only on July 5, 2022, while MPCL received the same on July 6, 2022.

On July 26, 2022, the special interest groups sought reconsideration of the SC Decision by filing separate Motions for Reconsideration where they prayed that the SC Petition be granted. The ERC likewise filed a Motion for Partial Reconsideration of the SC Decision and sought the reinstatement of the March 3, 2014 ERC Order, among others.

These motions were denied with finality by the SC En Banc, in its resolution dated October 11, 2022, which also directed the entry of judgment of the SC Decision be made immediately. On January 4, 2023, the external counsel of SPPC, SPI and SRHI received a copy of the Entry of Judgement from the SC En Banc dated October 11, 2022, while the external counsel of MPCL received a copy of the same on January 5, 2023.

With this, the relevant subsidiaries namely, SPPC, MPCL and SPI are pursuing the implementation of the SC Decision as at June 30, 2025. SPPC, MPCL and SPI have aggregate outstanding receivables from Meralco estimated at P1,275,985 included under "Trade and other receivables - net" account in the consolidated statements of financial position as at June 30, 2025.

ii. ERC Order Voiding WESM Prices

Relative to the above-cited Petition, on December 27, 2013, the DOE, ERC and PEMC, acting as a tripartite committee, issued a joint resolution setting a reduced price cap on the WESM of P32.00 per kWh. The price was set to be effective for 90 days until a new cap is decided upon.

On March 3, 2014, the ERC, in the exercise of its police power, issued an order in Miscellaneous Case No. 2014-021, declaring the November and December 2013 Luzon WESM prices void, imposed the application of regulated prices and mandated PEMC, the operator of the WESM, to calculate and issue adjustment bills using recalculated price (the "March 3, 2014 ERC Order").

Subsequent orders were issued by the ERC setting the period for compliance of the March 3, 2014 ERC Order (collectively, together with the March 3, 2014 Order, the "2014 ERC Orders"). Based on these orders, SPI and SRHI recognized a reduction in the sale of power while MPCL, San Miguel Electric

Corp. (SMELC) and SPPC recognized a reduction in its power purchases. Consequently, a payable and receivable were also recognized for the portion of over-collection or over-payment, the settlement of which have been covered by a 24-month Special Payment Arrangement with PEMC which was already completed on May 25, 2016.

SPI, SPPC, SRHI and MPCL filed various pleadings requesting ERC for the reconsideration of the March 3, 2014 ERC Order. Other generators also requested the SC to stop the implementation of the March 3, 2014 ERC Order. The ERC denied the motions for reconsideration filed by the generators.

On June 26, 2014, SPI, SPPC and SRHI, while on December 12, 2014, MPCL appealed the said ERC denial before the Court of Appeals (CA) through their respective Petitions for Review.

After consolidating the cases, the CA, in its decision dated November 7, 2017 (the "November 7, 2017 Decision"), granted the Petition for Review filed by SPI, SPPC, SRHI and MPCL, declared the 2014 ERC Orders null and void and accordingly reinstated and declared as valid the WESM prices for Luzon for the supply months of November to December 2013.

Motions for Reconsideration of the November 7, 2017 Decision and several other motions which were filed by various intervenors, were denied by the CA through its Omnibus Resolution dated March 29, 2019. The intervenors filed Petitions for Review on Certiorari before the SC, which were also denied by the SC through its resolutions dated September 11, 2019 and October 1, 2019. Entries of judgment have been issued by the SC certifying that the resolutions denying the Petitions for Review on Certiorari filed by various intervenors against SPI, SPPC, SRHI and MPCL, among others, have become final and executory.

The ERC and Meralco also filed separate Petitions for Review appealing the November 7, 2017 Decision and Omnibus Resolution dated March 29, 2019 of the CA, which nullified and set aside the 2014 ERC Orders, declaring the WESM prices for November and December 2013 void.

In a Resolution dated November 4, 2020, the SC directed the consolidation of the separate petitions filed by the ERC and Meralco considering that said cases involve the same parties, raise the same issues, and assail the same decision and resolution, and the transfer of the petition filed by Meralco to the 3rd Division of the SC handling the petition by the ERC.

The ERC filed its Consolidated Reply to the comments on its petition dated November 18, 2020.

The SC has not yet promulgated a decision as at December 31, 2024. However, on August 3, 2021, a decision was rendered by the SC En Banc in a separate case (as discussed under *TRO Issued to Meralco*) declaring the March 3, 2014 ERC Order as null and void, which is the subject of the aforementioned Petition. Considering that this decision of the SC En Banc covers the March 3, 2014 ERC Order, the difference between the actual Luzon WESM prices and the regulated prices (based on the March 3, 2014 ERC Order) for WESM sales and purchases by SPI, SPPC, SRHI, SMELC and MPCL amounting to up to P2,321,785 will have to be settled with the Independent Electricity Market Operator of the Philippines, the current operator of the WESM, in favor of the relevant subsidiaries of the Group.

iii. *Generation Payments to PSALM*

SPPC and PSALM were parties to the Ilijan IPPA Agreement covering the appointment of SPPC as the IPP Administrator of the Ilijan Power Plant.

SPPC and PSALM have an ongoing dispute arising from differing interpretations of certain provisions related to generation payments under the Ilijan IPPA Agreement. As a result of such dispute, the parties have arrived at different computations regarding the subject payments. In a letter dated August 6, 2015, PSALM has demanded payment of the difference between the generation payments calculated based on its interpretation and the amount which has already been paid by SPPC, plus interest, covering the period December 26, 2012 to April 25, 2015.

On August 12, 2015, SPPC initiated a dispute resolution process with PSALM as provided under the terms of the Ilijan IPPA Agreement, while continuing to maintain its position that it has fully paid all of its obligations to PSALM. Notwithstanding the bona fide dispute, PSALM issued a notice terminating the Ilijan IPPA Agreement on September 4, 2015. On the same day, PSALM also called on the performance bond posted by SPPC pursuant to the Ilijan IPPA Agreement.

On September 8, 2015, SPPC filed a Complaint with the Regional Trial Court (RTC) of Mandaluyong City (the "RTC Mandaluyong") requesting the RTC Mandaluyong that its interpretation of the relevant provisions of the Ilijan IPPA Agreement be upheld and asked that a 72-hour TRO be issued against PSALM for illegally terminating the Ilijan IPPA Agreement and drawing on the performance bond of SPPC. On even date, the RTC Mandaluyong issued a 72-hour TRO which prohibited PSALM from treating SPPC as being in Administrator Default and from performing other acts that would change the status quo ante between the parties before PSALM issued the termination notice and drew on the performance bond of SPPC. The TRO was extended until September 28, 2015.

On September 28, 2015, the RTC Mandaluyong issued an order granting a Preliminary Injunction enjoining PSALM from proceeding with the termination of the Ilijan IPPA Agreement while the main case is pending. PSALM sought for reconsideration of the said order but was later on denied by the RTC. PSALM filed with the CA a Petition for Review on Certiorari assailing the RTC Mandaluyong's order of denial. The CA ruled in favor of SPPC and affirmed the RTC Mandaluyong's issuance of a writ of preliminary injunction against PSALM prohibiting it from terminating the Ilijan IPPA Agreement while the main case in the lower court is pending and named Meralco as intervenor (the "2017 CA Decision").

PSALM filed a Motion for Reconsideration of the 2017 CA Decision but it was denied by the CA in its resolution dated July 12, 2018 (the "2018 CA Resolution").

On September 19, 2018, PSALM filed a Petition for Certiorari with Urgent Prayer for the Issuance of a TRO and/or Writ of Preliminary Injunction before the SC praying for the reversal and nullification of the 2017 CA Decision and the 2018 CA Resolution but was denied by the SC in its resolution dated March 4, 2019 (the "March 4, 2019 SC Resolution"). PSALM filed a Motion for Reconsideration thereof and was denied by the SC in a resolution dated August 5, 2019 which became final and executory on the same date.

After years of resolving other related issues, pre-trial proceeded on November 19, 2021 and the parties filed the Joint Stipulation of Facts on April 6, 2022. On August 30, 2024, SPPC filed its Formal Offer of Evidence. On September 12, 2024, in compliance with a directive from the court, SPPC submitted additional hard copies of its exhibits. The court admitted SPPC's documentary evidence through an Order dated October 11, 2024.

On November 22, 2024, PSALM filed its Formal Offer of Evidence. In an Order dated December 19, 2024, the trial court admitted PSALM's exhibits and directed the parties to submit their respective closing Memoranda. PSALM filed its closing Memorandum on February 7, 2025 and SPPC filed its Memorandum on February 18, 2025. In an Order dated March 7, 2025, the court considered the case as submitted for decision.

Although the proceedings before the RTC Mandaluyong remain pending, the Ilijan Power Plant was turned over by PSALM to SPPC pursuant to the IPPA Agreement and the Deed of Sale executed between PSALM and SPPC on June 3, 2022.

iv. Criminal Cases

SPPC

On September 29, 2015, SPPC filed a criminal complaint for estafa and for violation of Section 3(e) of Republic Act No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act ("RA No. 3019"), before the Department of Justice (DOJ), against certain officers of PSALM, in connection with the termination of SPPC's Ilijan IPPA Agreement, which was made by PSALM with manifest partiality and evident bad faith. Further, it was alleged that PSALM fraudulently misrepresented its entitlement to draw on the performance bond posted by SPPC, resulting in actual injury to SPPC in the amount of US\$60,000. On June 13, 2017, the DOJ endorsed the complete records of the complaint to the Office of the Ombudsman for appropriate action.

On a related matter, on November 14, 2018, SPPC filed with the Office of the Ombudsman-Field Investigation Office, an administrative complaint against an executive officer of PSALM and several unidentified persons for violation of the Ombudsman Act and the Revised Administrative Code, in the performance of their functions as public officers.

In a Resolution dated March 10, 2021, which was approved by the Ombudsman on February 15, 2022, the Graft Investigation and Prosecution Officer (GIPO) dismissed the criminal complaint against the Respondents. In a Decision of the same date, approved by the Ombudsman also on February 15, 2022, the GIPO also dismissed the administrative complaint against the Respondents.

On March 21, 2022, SPPC filed a Motion for Reconsideration of the resolution dismissing the criminal complaint. In an Order dated May 25, 2022, the Office of the Ombudsman denied SPPC's Motion for Reconsideration. SPPC has decided not to question the dismissal of the criminal complaint.

SPI

On October 21, 2015, SPI filed a criminal complaint for Plunder and violation of Sections 3(e) and 3(f) of R.A. No. 3019, before the DOJ against a certain officer of PSALM, and certain officers of Team (Philippines Energy Corporation (TPEC) and Team Sual Corporation (TSC), relating to the illegal grant of the so-called "excess capacity" of the Sual Power Plant in favor of TPEC which enabled it to receive a certain amount at the expense of the Government and SPI.

In a Resolution dated July 29, 2016, the DOJ found probable cause to file an Information against the respondents for Plunder and violation of Sections 3(e) and 3(f) of RA No. 3019 (the "July 29, 2016 DOJ Resolution"). The DOJ further resolved to forward the entire records of the case to the Office of the Ombudsman for their proper action. The TPEC and TSC officers appealed said July 29, 2016 DOJ Resolution, through the filing of a Petition for Review with the Secretary of Justice. The PSALM officer filed a Verified Motion for Reconsideration.

On October 25, 2017, the DOJ issued a Resolution partially granting the Petition for Review of the TPEC and TSC officers by reversing the July 29, 2016 DOJ Resolution insofar as the conduct of the preliminary investigation was concerned, ruling that the Office of the Prosecutor General should have endorsed the case to the Office of the Ombudsman. On November 17, 2017, SPI filed a motion for partial reconsideration of said DOJ Resolution dated October 25, 2017.

While the said Motion for Partial Reconsideration was pending, SPI, TPEC, TSC and the TPEC and TSC officers filed before the DOJ a Joint Motion to Dismiss dated June 6, 2022 praying for the dismissal of the criminal complaint filed by SPI against TPEC and TSC.

In a Resolution promulgated on May 5, 2023, the DOJ affirmed its Resolution dated October 25, 2017. The DOJ held that considering SPI's desistance, SPI's Motion for Partial Reconsideration of the DOJ's Resolution of October 25, 2017 was considered dismissed and/or withdrawn. The PSALM officer's Verified Motion for Reconsideration remains unresolved as at report date.

v. *Civil Cases*

SPI

On June 17, 2016, SPI filed with the RTC, Pasig City (the "RTC Pasig") a civil complaint for consignment against PSALM arising from PSALM's refusal to accept SPI's remittances corresponding to the proceeds of the sale on the WESM for electricity generated from capacity in excess of the 1,000 MW of the Sual Power Plant (the "Sale of the Excess Capacity"). With the filing of the complaint, SPI also consigned with the RTC Pasig, the amount corresponding to the proceeds of the Sale of the Excess Capacity for the billing periods December 26, 2015 to April 25, 2016.

PSALM filed an Answer dated August 17, 2016 stating that it has no right to, and is not the owner of, the proceeds of the sale on the WESM of electricity generated from the capacity in excess of 1,000 MW of the Sual Plant and that the consignment should belong to TPEC as it is rightfully entitled to the 200 MW and to the payments which SPI made consequent therewith.

On October 3, 2016, SPI filed an Omnibus Motion to Admit Supplemental Complaint and to Allow Future Consignment without Tender (the "Omnibus Motion"). Together with this Omnibus Motion, SPI consigned with the RTC Pasig an additional amount corresponding to the proceeds of the Sale of the Excess Capacity for the billing periods from April 26, 2016 to July 25, 2016. After this, SPI continuously consigned additional proceeds of Sale of the Excess Capacity for succeeding billing periods.

On May 22, 2018, the RTC Pasig issued an order dismissing the complaint for consignment filed by SPI on the ground that the court has no jurisdiction over the subject matter of the complaint and finding that the ERC has the technical competence to determine the proper interpretation of “contracted capacity”, the fairness of the settlement formula and the legality of the memorandum of agreement.

On July 4, 2018, SPI filed its Motion for Reconsideration (MR) to the May 22, 2018 order which dismissed the consignment case.

After the case was later re-raffled to RTC Branch 268 (the “RTC Branch 268”), in an Order dated September 30, 2021, the RTC Branch 268: (a) granted SPI’s Motion for Reconsideration of the Order of May 22, 2018, which dismissed the case for lack of jurisdiction; (b) granted SPI’s Omnibus Motion to Admit Supplemental Complaint and Allow Future Consignations without Tender; and (c) reinstated the Complaint (the “September 30, 2021 Order”).

On October 5, 2022, SPI and PSALM filed an Omnibus Motion to Dismiss and Release Deposited Monies, whereby PSALM, consistent with its representation and acknowledgment in its Answer that the consigned amounts rightfully belong to TPEC, agreed to the release of the said amounts to TPEC and SPI, relying on PSALM’s representation and acknowledgment, did not object to the release of the consigned amounts to TPEC.

On October 10, 2022, the RTC issued an Order granting the Omnibus Motion and authorized TPEC’s named representative in the Omnibus Motion to withdraw the consigned amounts.

Further related thereto, on December 1, 2016, SPI received a copy of a Complaint filed by TPEC and TSC with the ERC against SPI and PSALM in relation to the Excess Capacity issues, which issues have already been raised in the abovementioned cases. SPI filed a Motion to Dismiss and Motion to Suspend Proceeding of the instant case.

On June 6, 2022, SPI, TPEC and TSC filed a Joint Motion to Dismiss the ERC complaint. SPI received the Order from the ERC on June 22, 2022, asking the parties to submit a copy of the settlement agreement within 5 days from receipt of such order. TPEC, TSC and SPI filed with the ERC a Compliance and Submission attaching the settlement agreement on June 28, 2022. As at December 31, 2024, the case is still pending as the ERC has not issued any resolution granting the Joint Motion to Dismiss filed by the parties.

The total amount consigned with the RTC Pasig amounting to P491,242 was released to TPEC on December 20, 2022.

vi. *Claims for Contract Price Adjustments on Certain “Fixed Price” PSAs with Meralco*

On October 22, 2019, SPI and SPPC each filed before the ERC a Joint Application with Meralco for the approval of their respective PSA with Meralco with prayer for provisional authority (the “Application”). The PSA of SPPC covers the supply of 670 MW baseload capacity to Meralco (“SPPC PSA”) while the PSA of SPI covers the supply of 330 MW baseload capacity to Meralco (“SPI PSA”) both for a period of 10 years (collectively, the “PSAs”). The PSAs were awarded by Meralco to each of SPPC and SPI after they emerged as the winning bidders in the competitive selection process conducted by Meralco in September 2019.

On March 16, 2020, the ERC released Orders both dated December 10, 2019, granting provisional authority to implement the SPPC PSA and SPI PSA.

On May 11, 2022, SPPC and SPI each filed a Joint Motion for Price Adjustment with Meralco (the “Joint Motion”) seeking approval from the ERC to temporarily increase the contract price under the SPPC PSA and SPI PSA for a period of 6 months, to recover incremental fuel costs covering January to May 2022 billing periods arising from a Change in Circumstances (CIC) (as defined in the PSAs) to be collected over a period of 6 months.

On September 29, 2022, the ERC denied the foregoing Joint Motions filed by each of SPPC and SPI with Meralco requesting for the proposed price adjustments (the “September 29, 2022 ERC Orders”).

SPPC CA Petition

On November 10, 2022, SPPC filed with the CA a Petition for Certiorari under Rule 65 with Application for the Issuance of a TRO and/or Writ of Preliminary Injunction to annul, reverse and set aside the September 29, 2022 ERC Order for SPPC (the “SPPC CA Petition”).

In a Resolution dated November 23, 2022, the 14th Division of the CA granted SPPC’s application for a 60-day TRO, conditioned upon the posting of a bond in the amount of P50,000 (the “TRO Bond”). The CA later issued a TRO on December 2, 2022, after posting by SPPC of the TRO Bond, and the writ of preliminary injunction for the SPPC CA Petition on February 23, 2023.

On July 10, 2023, SPPC received the CA’s Joint Decision dated June 27, 2023 (the “June 27, 2023 CA Decision”) which granted the consolidated petitions of SPPC and SPI. The CA: (i) annulled and set aside the September 29, 2022 ERC Orders for having been issued with grave abuse of discretion; (ii) granted the Joint Motions for Price Adjustment with Provisional Authority and/or Interim Relief without prejudice to any further requests for price adjustments for June 2022 onwards (for SPPC, from June 2022 to January 25, 2023 [date of writ of preliminary injunction] and for SPI, from June 2022 to the date of the finality of the Joint Decision); and (iii) made permanent the writ of preliminary injunction issued in favor of SPPC.

On January 16, 2024, SPPC received, through its external counsel, a copy of the Resolution issued by the CA dated December 28, 2023, denying the separate Motions for Reconsideration filed by NASECORE and the ERC.

The June 27, 2023 CA Decision was later on confirmed by the SC in a Resolution dated April 3, 2024 which denied the ERC’s Petition for Review on Certiorari “for failure of petitioner [ERC] to sufficiently show that the CA committed any reversible error in the challenged joint decision and resolution as to warrant the exercise of this Court’s discretionary appellate jurisdiction.” ERC’s Motion for Reconsideration of the SC Resolution was also denied with finality in another SC Resolution dated July 10, 2024, and received on August 30, 2024. An Entry of Judgment has already been issued for this case.

Pursuant thereto, SPPC filed on October 10, 2024 its Motion for Issuance of Writ of Execution with the ERC to enforce the June 27, 2023 CA Decision. The motion is pending with the ERC to date.

On February 6, 2025, SPPC filed a Motion to Resolve (re: Motion for Issuance of Writ of Execution) with the ERC. On March 11, 2025, SPPC also filed with the CA a Motion to Direct the Court of Origin to Issue Writ of Execution to compel the ERC to issue writs of execution on the June 27, 2023 CA Decision.

On July 11, 2025, SPI received a copy of the CA's Resolution dated June 27, 2025, which among others partially granted their respective motions and directed the ERC to act on their motions immediately and without further delay. Pursuant thereto, the ERC directed the parties to submit pertinent documents in support of the June 27, 2023 CA Decision, which have yet to be submitted as of date.

Related thereto, pursuant to the June 27, 2023 CA Decision, SPPC issued a Notice of CIC on August 18, 2023, informing Meralco of its request for price adjustments for the period May 26, 2022 to December 6, 2022 and requested the cooperation and assistance of Meralco in seeking the necessary approvals on the recovery of the additional claim due to CIC, as provided under the SPPC PSA, through the filing of a joint motion for the adjustment of the Contract Price with the ERC. In a letter dated January 30, 2024, Meralco acknowledged SPPC's right to the adjustment in the Contract Price as a result of the CIC under the SPPC PSA and in a letter dated August 30, 2024, validated the amounts being claimed therein.

On November 21, 2024, SPPC filed a Motion for Price Adjustment with the ERC, for its CIC claim for the period May 26, 2022 to December 6, 2022 pursuant to the SPPC PSA (the "2nd SPPC CIC Claim"), with its claims anchored on essentially the same legal bases established or ruled on by the CA in its Joint Decision and confirmed by the SC with finality. The ERC directed SPPC to submit pertinent documents in support of its motion, which remain pending submission to date.

SPI CA Petition

On November 10, 2022, SPI also filed with the CA a Petition for Certiorari under Rule 65 with Application for the Issuance of a TRO and/or Writ of Preliminary Injunction to annul, reverse and set aside the September 29, 2022 ERC Order for SPI (the "SPI CA Petition"). This was raffled to the 17th Division of the CA which was subsequently transferred to its 16th Division.

On November 24, 2022, SPI filed an Urgent Motion for Consolidation of the instant Petition with the SPPC CA Petition pending before the 13th Division of the CA.

On January 26, 2023, SPI received the Resolution dated January 13, 2023 of the CA 16th Division which (i) denied SPI's prayer for the issuance of a TRO and/or writ of preliminary injunction, and (ii) granted the consolidation of the SPI CA Petition with the SPPC CA Petition. The SPI CA Petition was thus consolidated with the SPPC CA Petition before the CA 13th Division.

On July 10, 2023, SPI received the CA's Joint Decision dated June 27, 2023 (the "June 27, 2023 CA Decision") which granted the consolidated petitions of SPPC and SPI. The CA: (i) annulled and set aside the September 29, 2022 ERC Orders for having been issued with grave abuse of discretion; (ii) granted the Joint Motions for Price Adjustment with Provisional Authority and/or Interim Relief, without prejudice to any further requests for price adjustments for June 2022 onwards (for SPPC, from June 2022 to January 25, 2023 [date of writ of preliminary injunction] and for SPI, from June 2022 to the date of the finality of the Joint Decision); and (iii) denied SPI's Motion for Partial Reconsideration of the January 13, 2023 CA Resolution and its application for the issuance of a writ of preliminary injunction for being moot and academic. On January 16, 2024, SPI received, through its external counsel, a copy of the Resolution issued by the CA dated December 28, 2023, denying the separate Motions for Reconsideration filed by NASECORE and the ERC.

The June 27, 2023 CA Decision was later on confirmed by the SC in a Resolution dated April 3, 2024, and received on May 21, 2024, which denied the ERC's Petition for Review on Certiorari "for failure of petitioner [ERC] to sufficiently show that the Court of Appeals committed any reversible error in the challenged joint decision and resolution as to warrant the exercise of this Court's discretionary appellate jurisdiction." ERC's Motion for Reconsideration of the SC Resolution was denied with finality in an SC Resolution dated July 10, 2024, and received on August 30, 2024. An Entry of Judgment has already been issued for this case.

Pursuant thereto, SPI filed on October 10, 2024 its Motion for Issuance of Writ of Execution with the ERC to enforce the June 27, 2023 CA Decision. The motion is pending with the ERC to date.

On February 6, 2025, SPI filed a Motion to Resolve (re: Motion for Issuance of Writ of Execution) with the ERC. On March 11, 2025, SPI also filed with the CA a Motion to Direct the Court of Origin to Issue Writ of Execution to compel the ERC to issue writs of execution on the June 27, 2023 CA Decision.

On July 11, 2025, SPI received a copy of the CA's Resolution dated June 27, 2025, which among others partially granted their respective motions and directed the ERC to act on their motions immediately and without further delay. Pursuant thereto, the ERC directed the parties to submit pertinent documents in support of the June 27, 2023 CA Decision, which have yet to be submitted as of date.

Related thereto, pursuant to the June 27, 2023 CA Decision, SPI issued a Notice of CIC on August 18, 2023, informing Meralco of its request for price adjustments for the period June 2022 to July 2023, and requested the cooperation and assistance of Meralco in seeking the necessary approvals on the recovery of the additional claim due to CIC, as provided under the PSA, through the filing of a joint motion for the adjustment of the Contract Price with the ERC. In a letter dated January 30, 2024, Meralco acknowledged SPI's right to the adjustment in the Contract Price as a result of the CIC under the SPI PSA, and in a letter dated August 30, 2024, validated the amounts being claimed therein.

On November 21, 2024, SPI filed a Motion for Price Adjustment with the ERC, for its CIC claim for the period June 2022 to July 2023 pursuant to the SPI PSA (the "2nd SPI CIC Claim"), with its claims anchored on essentially the same legal bases established or ruled on by the CA in its Joint Decision and confirmed by the SC with finality. The ERC directed SPI to submit pertinent documents in support of its motion, which remain pending submission to date.

In view of the dilution of the Parent Company's equity interest in SPPC from 100% to 33%, SPPC assigned in favor of the Parent Company all of its rights of action under the case relating to the Generation Payments to PSALM and the claims for contract price adjustments from Meralco, and the Parent Company assumed all obligations of SPPC in relation to the cases involving the TRO Issued to Meralco and ERC Voiding WESM Prices, pursuant to the terms of the agreements executed on March 1, 2024 and January 15, 2025 with relevant parties.

b. Events After the Reporting Date

i. *Issuances of SPCS by the Parent Company*

On July 24, 2025, the Parent Company completed the issuance of US\$400,000 SPCS (the US\$400,000 SPCS), at an issue price of 100%, with an initial rate of distribution of 8.95% per annum. The issuance consists of US\$223,191 in aggregate principal amount of SPCS (the "Concurrent Exchange Offers") issued in exchange for the 7.00% SPCS issued on October 21 and December 15, 2020 and 5.70% SPCS issued on January 21, 2020 (collectively, the "Existing Securities"), and US\$176,809 in aggregate principal amount of new securities (the "Additional New Securities"). The US\$400,000 SPCS was listed on the SGX-ST on July 25, 2025.

The net proceeds from the issuance of the US\$400,000 SPCS will be applied to the following: (i) costs and expenses related to the Concurrent Exchange Offers, including payment of accrued distribution amount in respect of the Existing Securities accepted for exchange pursuant to the terms and conditions of the Concurrent Exchange Offers; (ii) costs and expenses related to the issuance of the Additional New Securities; (iii) purchase, repurchase and/or redemption of all remaining outstanding Existing Securities following the Concurrent Exchange Offers; and (iv) for pre-development costs of solar and hydropower energy projects, and capital expenditures related to BESS projects.

On August 11, 2025, the Parent Company completed the issuance of US\$115,000 SPCS (the "US\$115,000 SPCS") at an issue price of 100% plus an amount corresponding to accrued distribution from and including July 24, 2025 to, but excluding, August 11, 2025.

The US\$115,000 SPCS is consolidated into and form a single series with the US\$400,000 SPCS issued on July 24, 2025, bringing the total securities to US\$515,000. The US\$400,000 SPCS and US\$115,000 SPCS are identical in all respects, other than with respect to the date of issuance and issue price.

The Parent Company intends to apply the net proceeds towards (i) the partial purchase, repurchase and/or redemption of the remaining outstanding SPCS issued in October and December 2020, and (ii) for pre-development costs of solar and hydropower energy projects and capital expenditures related to BESS projects.

ii. *Purchase of Common Shares of Meralco by the Parent Company*

On July 23, 2025, the Parent Company purchased a total of 43,229,796 common shares of Meralco at P90.00 per share from Land Bank of the Philippines through a special block sale crossed through the PSE, by virtue of the Deed of Absolute Sale of Shares executed by the parties, which contained the terms and conditions mutually determined by and acceptable to both parties and conformably with the decision of the Court of Appeals.

iii. *Availment of Term Loans by the Parent Company*

On July 3, 2025, the Parent Company availed of an additional US\$50,000 from the facility agreement executed on May 13, 2025. The proceeds from the additional loan shall be used for general corporate purposes and transaction-related fees, costs and expenses in relation to the facility.

On August 11, 2025, the Parent Company availed a total of P10,200,000 fixed-rate notes from a Trust Agreement executed on July 30, 2025, and with maturities up to 2035. The proceeds will be used for refinancing of existing obligations of the Parent Company and for general corporate purposes.

c. Supplemental Cash Flows Information

The following table summarizes the changes in liabilities and equity arising from the financing activities, including both changes arising from cash flows and non-cash changes:

	Loans Payable	Long-term Debt	Lease Liabilities	Capital Stock	APIC	SPCS	RPCS	Total
Balances as at January 1, 2025 (Audited)	P41,350,425	P277,937,891	P31,405,266	P2,823,604	P48,081,781	P151,194,865	P145,979,113	P698,772,945
Changes from Financing Activities								
Proceeds from borrowings	58,000,000	20,534,000	-	-	-	-	-	78,534,000
Proceeds from issuance of capital stock	-	-	-	1,961,890	56,813,747	-	-	58,775,637
Proceeds from issuance of SPCS	-	-	-	-	-	5,749,775	-	5,749,775
Payments for redemption of SPCS	-	-	-	-	-	(6,288,284)	-	(6,288,284)
Payments of lease liabilities	-	-	(8,089,002)	-	-	-	-	(8,089,002)
Payments for redemption of RPCS	-	-	-	-	-	-	(58,856,693)	(58,856,693)
Payments of borrowings	(65,912,300)	(18,323,117)	-	-	-	-	-	(84,235,417)
Total Changes from Financing Activities	(7,912,300)	2,210,883	(8,089,002)	1,961,890	56,813,747	(538,509)	(58,856,693)	(14,409,984)
Effect of changes in foreign exchange rates	61,875	(2,023,534)	(319,345)	-	-	-	-	(2,281,004)
Other changes	(5,000,000)	185,221	87,385	-	-	661,184	1,557,375	(2,508,835)
Balance as at June 30, 2025 (Unaudited)	P28,500,000	P278,310,461	P23,084,304	P4,785,494	P104,895,528	P151,317,540	P88,679,795	P679,573,122

	Loans Payable	Long-term Debt	Lease Liabilities	SPCS	RPCS	Total
Balances as at January 1, 2024 (Audited)	P13,736,000	P258,769,473	P42,787,300	P161,767,709	P102,546,825	P579,607,307
Changes from Financing Activities						
Proceeds from borrowings	69,080,000	12,000,000	-	-	-	81,080,000
Proceeds from issuance of RPCS	-	-	-	-	43,480,764	43,480,764
Payments of lease liabilities	-	-	(10,333,014)	-	-	(10,333,014)
Payments for redemption of SPCS	-	-	-	(45,039,762)	-	(45,039,762)
Payments of borrowings	(54,080,000)	(27,005,976)	-	-	-	(81,085,976)
Total Changes from Financing Activities	15,000,000	(15,005,976)	(10,333,014)	(45,039,762)	43,480,764	(11,897,988)
Effect of Changes in Foreign Exchange Rates	-	4,693,229	924,423	-	-	5,617,652
Other Changes	-	381,392	(607,783)	4,852,808	-	4,626,417
Balance as at June 30, 2024 (Unaudited)	P28,736,000	P248,838,118	P32,770,926	P121,580,755	P146,027,589	P577,953,388

Other changes pertain to deconsolidated loans payable of SPPC (see Note 10), additions for new lease agreements and amortizations of lease liabilities and debt-issue costs of long-term debt.

d. Commitments

The outstanding purchase commitments of the Group amounted to P71,322,615 and P109,084,701 as at June 30, 2025 and December 31, 2024, respectively.

The Group's material commitments for capital expenditure consist mainly of construction of power plants, mostly utilizing high efficiency low emission technologies, in line with the Group's expansion projects, and acquisition, upgrade or repair of fixed assets needed for normal operations of the business. These will be funded by available cash and proceeds from short-term loans, long-term debt and issued capital securities.

- e. There are no unusual items as to the nature and amount affecting assets, liabilities, equity, net income or cash flows, except those stated in the Management Discussion and Analysis of Financial Position and Financial Performance.
- f. There were no material changes in the estimates of amounts reported in prior financial year.

SAN MIGUEL GLOBAL POWER HOLDINGS CORP. AND SUBSIDIARIES

DISCUSSION OF THE GROUP'S FINANCIAL SOUNDNESS INDICATORS

The following are the major performance measures that San Miguel Global Power Holdings Corp. and Subsidiaries (the "Group") use. Analyses are employed by comparisons and measurements based on the financial data as at June 30, 2025 and December 31, 2024 for liquidity, solvency and profitability ratios and for the periods ended June 30, 2025 and 2024 for operating efficiency ratios.

LIQUIDITY RATIO

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

<i>(in Millions Peso)</i>	June 30, 2025	December 31, 2024
(A) Current Assets	237,891	249,639
(B) Current Liabilities	165,735	224,058
Current Ratio (A) / (B)	1.44	1.11

SOLVENCY RATIO

$$\text{Net Debt-to-Equity* Ratio} = \frac{\text{Net Debt}}{\text{Total Equity}}$$

Per relevant Loan Covenants of San Miguel Global Power

<i>(in Millions Peso)</i>	June 30, 2025	December 31, 2024
(A) Net Debt ⁽¹⁾	146,901	219,596
(B) Total Equity ⁽²⁾	378,893	354,566
Net Debt-to-Equity Ratio (A) / (B)	0.39	0.62

**All items are net of amounts attributable to ring-fenced subsidiaries*

(1) Consolidated net total debt plus total PSALM lease liabilities.

(2) Consolidated total equity.

Asset-to-Equity Ratio	Total Assets			
	Total Equity			
	Conventional		Adjusted ⁽³⁾	
<i>(in Millions Peso)</i>	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
(A) Total Assets	833,274	881,873	805,335	853,432
(B) Total Equity	388,520	359,025	388,520	359,025
Asset-to-Equity Ratio (A) / (B)	2.14	2.46	2.07	2.38

⁽³⁾ Net carrying amount of the IPPA power plant, in relation to the IPPA Agreement of SRHI with PSALM, was omitted in total assets as this power plant asset was capitalized with corresponding lease liabilities. As at June 30, 2025 and December 31, 2024, the carrying amount of the IPPA power plant asset amounted to P27,939 million and P28,441 million, respectively.

PROFITABILITY RATIO

Return on Equity	Net Income	
	Total Equity	
<i>(in Millions Peso)</i>	June 30, 2025	December 31, 2024
(A) Net Income ⁽⁴⁾	39,518	12,384
(B) Total Equity	388,520	359,025
Return on Equity (A) / (B)	10.2%	3.4%

⁽⁴⁾ Annualized for quarterly reporting.

		Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)
Interest Coverage Ratio	=	-----
		Interest Expense
<i>Per relevant Loan Covenants of San Miguel Global Power</i>		
<i>(in Millions Peso)</i>	June 30, 2025	December 31, 2024
(A) EBITDA ⁽⁵⁾	38,261	37,897
(B) Interest Expense ⁽⁶⁾	14,389	14,761
Interest Coverage Ratio (A) / (B)	2.66	2.57

⁽⁵⁾ Most recent four quarterly period consolidated EBITDA (gross of PSALM payments and excluding amounts attributable to ring-fenced subsidiaries).

⁽⁶⁾ Most recent four quarterly period consolidated interest expense (excluding amounts attributable to ring-fenced subsidiaries).

OPERATING EFFICIENCY

Volume Growth (Decline)	=	$\frac{\text{Current Period Offtake Volume}}{\text{Prior Period Offtake Volume}} - 1$	
		Periods Ended June 30	
<i>(in GWh)</i>		2025	2024
(A) Current Period Offtake Volume		14,773	17,457
(B) Prior Period Offtake Volume		17,457	10,685
Volume Growth (Decline) [(A / B) – 1]		(15.4%)	63.4%

Revenue Growth (Decline)	=	$\frac{\text{Current Period Revenue}}{\text{Prior Period Revenue}} - 1$	
		Periods Ended June 30	
<i>(in Millions Peso)</i>		2025	2024
(A) Current Period Revenue		80,147	98,944
(B) Prior Period Revenue		98,944	84,770
Revenue Growth (Decline) [(A / B) – 1]		(19.0%)	16.7%

Operating Margin	=	$\frac{\text{Income from Operations}}{\text{Revenues}}$	
		Periods Ended June 30	
<i>(in Millions Peso)</i>		2025	2024
(A) Income from Operations		22,120	22,988
(B) Revenues		80,147	98,944
Operating Margin (A) / (B)		27.6%	23.2%



**San Miguel Global Power
Holdings Corp.**

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MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE

INTRODUCTION

The following discussion should be read in conjunction with the attached unaudited consolidated financial statements of San Miguel Global Power Holdings Corp. (“San Miguel Global Power” or “Parent Company”, formerly SMC Global Power Holdings Corp.) and its subsidiaries (collectively referred to as the “Group”) as at and for the period ended June 30, 2025 (with comparative figures as at December 31, 2024 and for the period ended June 30, 2024). All necessary adjustments have been made to present fairly the consolidated financial position, financial performance and cash flows of the Group as at June 30, 2025, and for all the other periods presented. Certain information and footnote disclosure normally included in the audited consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards have been omitted.

I. MAJOR DEVELOPMENTS AND SIGNIFICANT TRANSACTIONS IN 2025

Joint Agreement with Manila Electric Company (Meralco) and Aboitiz Power Corporation (AboitizPower) on the Group’s Liquefied Natural Gas (LNG) Projects

On January 27, 2025, San Miguel Global Power completed the following transactions (collectively, the “Chromite Transaction” pursuant to the agreements executed on March 1, 2024 with Chromite Gas Holdings Inc. (CGHI), an entity owned jointly by Meralco PowerGen Corporation (a subsidiary of Meralco) and Therma NatGas Power, Inc. (a subsidiary of AboitizPower):

- Investment by CGHI of 67% equity interests in: (i) South Premiere Power Corp. (SPPC), the owner/operator of the 1,278 megawatts (MW) Ilijan Power Plant; (ii) Excellent Energy Resources Inc. (EERI), the owner/operator of the 1,320 MW Batangas Combined Cycle Gas Power Plant (BCCPP); and (iii) Ilijan Primeline Industrial Estate Corp. (IPIEC), the owner of the land where EERI’s power plant and facilities and the Batangas LNG Terminal are located.
- Acquisition by CGHI and San Miguel Global Power of 67% and 32.98% equity interests, respectively, in Linseed Field Corporation (LFC), the owner/operator of the Batangas LNG Terminal, which receives, stores and processes LNG to fuel the power plants of SPPC and EERI.

As a result of the Chromite Transaction, San Miguel Global Power’s equity interests in SPPC, EERI and IPIEC were diluted from 100% to 33%. Consequently, San Miguel Global Power derecognized the assets and liabilities of the 3 subsidiaries and recognized the 33% equity interests retained at fair market values and a revaluation gain amounting to P52,706 million and P21,933 million, respectively.

Update on Battery Energy Storage System (BESS) Projects of the Group

As at June 30, 2025, about 50% of the Group's ~ 1,000 megawatt hours (MWh) BESS projects are already in operation, providing ancillary services to the National Grid Corporation of the Philippines (NGCP) under a 5-year Ancillary Service Procurement Agreements (ASPA) or selling their spare capacities to the Reserves Market that has been established by the government, through the Independent Electricity Market Operator of the Philippines (IEMOP), to ensure grid stability. The remaining BESS projects in the pipeline are expected to commence commercial operations by 2026 and are expected to participate in any future tender of ancillary services by NGCP or offered to the Reserves Market as the Group sees the country's demand-supply situation remaining relatively tight at least in the near term.

Subscription to San Miguel Global Power's Common Shares by San Miguel Corporation (SMC)

On March 6, 2025, the Board of Directors (BOD) of San Miguel Global Power approved the following:

- subscription by SMC to 950,796,000 common shares out of the unissued capital stock of San Miguel Global Power in cash, at a subscription price of P30.00 per share or for a total subscription amount of P28,524 million;
- increase in authorized capital stock of San Miguel Global Power by P4,026 million (comprising of 4,025,600,000 shares with par value of P1.00), or from P3,774 million, divided into 3,774,400,000 shares with par value of P1.00 to P7,800 million, divided into 7,800,000,000 shares with par value of P1.00 (the "ACS Increase"); and
- subscription by SMC to 1,011,093,800 common shares out of the ACS Increase at P30.00 per share, or for a total subscription amount of P30,333 million.

On the same day, San Miguel Global Power and SMC executed the respective Subscription Agreements covering the aforesaid subscriptions approved by the BOD.

On April 14, 2025, the stockholders of San Miguel Global Power approved the ACS Increase and the amendment of the Amended Articles of Incorporation to reflect the ACS Increase and ratified the said subscription by SMC out of the ACS Increase. The application for the ACS Increase was approved by the Philippine Securities and Exchange Commission (SEC) on May 16, 2025.

The subscription amounts were fully paid by SMC to San Miguel Global Power on April 7, 2025.

Update on Claims for Contract Price Adjustments on Certain "Fixed Price" Power Sales Agreements (PSAs) with Meralco

On June 27, 2023, the Court of Appeal's (CA) released its joint decision on the separate petitions of Sual Power Inc. (SPI) and SPPC for certiorari (the "Joint Decision"), which effectively annulled and set aside the previous Orders of the Energy Regulatory Commission (ERC) denying their joint petitions with Meralco for tariff adjustments on certain "fixed price" PSAs allowing the recovery of incremental power supply costs due to Change in Circumstances (CIC) and the eventual termination of the PSAs. Following the release of the Joint Decision, SPI and SPPC confirmed the termination of their respective PSAs, but without prejudice to additional claims on incremental power supply costs incurred beyond the period covered by the said petitions arising from the same CIC during the continued implementation of the PSAs by SPPC and SPI pending issuance of the Temporary Restraining Order (TRO) and the Joint Decision by the CA. SPPC ceased the supply under its PSA only on December 7, 2022, after the issuance of the TRO by the CA, while SPI ceased to supply nominations on its PSA on July 24, 2023. On December 28, 2023, the CA

issued a decision denying the Motions for Reconsideration filed by the ERC and intervenors on its Joint Decision. The ERC then filed a Petition for Review on Certiorari with the Supreme Court (SC), a copy of which was received by the SPI and SPPC on March 6, 2024. On April 3, 2024, the SC issued a Resolution denying the ERC's Petition for Review on Certiorari "for failure of petitioner [ERC] to sufficiently show that the CA committed any reversible error in the challenged Joint Decision".

The SC in its Resolution dated July 10, 2024 also denied with finality the ERC's Motion for Reconsideration of the SC's Resolution dated April 3, 2024 and the ERC's prayer for the issuance of a TRO and/or Writ of Preliminary Injunction and directed the immediate issuance of an entry of judgment. An Entry of Judgment has already been issued for this case. SPI and SPPC thereafter respectively filed on October 10, 2024, a Motion for Issuance of the Writ of Execution before the ERC praying for the ERC to issue a Writ of Execution enforcing the Joint Decision. The Motion remains pending with the ERC to date. SPPC and SPI filed separate Motions to Resolve (re: Motion for Issuance of Writ of Execution) with the ERC on February 6, 2025. SPPC and SPI also filed with the CA on March 11, 2025, separate Motions to Direct the Court of Origin to Issue Writ of Execution to compel the ERC to issue writs of execution on the Joint Decision.

On July 11, 2025, SPPC and SPI received a copy of the CA's Resolution dated June 27, 2025, which among others partially granted their respective motions and directed the ERC to act on their motions immediately and without further delay. Pursuant thereto, the ERC directed the parties to submit pertinent documents in support of the Joint Decision, which have yet to be submitted as of date.

Related thereto, pursuant to the Joint Decision, SPPC and SPI respectively issued Notices of CIC on August 18, 2023, informing Meralco of their requests for price adjustments for the period May 26, 2022 to December 6, 2022 for SPPC, and for the period June 2022 to July 2023 for SPI, and requested the cooperation and assistance of Meralco in seeking the necessary approvals on the recovery of the additional claim due to CIC, as provided under their respective PSAs, through the filing of a joint motion for the adjustment of the Contract Price with the ERC. In a letter dated January 30, 2024, Meralco separately acknowledged SPPC's and SPI's rights to the additional adjustment in the Contract Price as a result of the CIC under the respective PSAs, and in a letter dated August 30, 2024, validated the amounts being claimed therein.

On November 21, 2024, SPPC and SPI separately filed a Motion for Price Adjustment with the ERC, for their respective CIC claims covering the aforesaid periods, pursuant to their respective PSAs (the "2nd CIC Claims"), with their claims anchored on essentially the same legal bases established or ruled on by the CA in its Joint Decision and confirmed by the SC with finality. The ERC directed the parties to submit pertinent documents in support of its motion, which remain pending submission to date.

On January 15, 2025, SPPC and San Miguel Global Power executed an agreement wherein SPPC assigned in favor of San Miguel Global Power all of its rights of action under the above claims for price adjustments from Meralco in view of the dilution of San Miguel Global Power's equity interest in SPPC from 100% to 33%, following the Chromite Transaction.

Availments of Long-term Debts

- Mariveles Power Generation Corp. (MPGC)
On March 27, 2025, MPGC drew a total of P9,400 million from its Omnibus Loan and Security Agreement (OLSA) executed with various local banks on December 17, 2024. The loan is subject to a fixed interest rate and payable quarterly up to December 2034. The proceeds of the loan were used to finance the Mariveles Greenfield Power Plant project.

▪ **San Miguel Global Power**

On May 19, 2025, San Miguel Global Power availed a US\$100 million term loan from its facility agreement executed on May 9, 2025 with a foreign bank. The loan is subject to floating interest rate and payable in May 2030.

The proceeds from the loan shall be used for general corporate purposes, including advances for capital expenditures.

On May 19, 2025, San Miguel Global Power availed a US\$100 million term loan from a US\$100 million loan facility, with option to increase up to US\$150 million, executed on May 13, 2025, with a group of foreign banks. The loan is subject to a floating interest rate and payable in May 2028.

The proceeds of the loan were used to refinance the US\$100 million term loan drawn in May 2022.

Payments of Maturing Term Loans

In the first semester of 2025, Limay Power Inc. (LPI), Malita Power Inc. (MPI), Masinloc Power Co. Ltd. (MPCL), San Miguel Global Power and SMGP BESS Power Inc. (SMGP BESS) paid a total of P5,026 million of their scheduled long-term debt principal amortizations pursuant to the terms and conditions of their respective facility agreements.

On February 10, 2025, San Miguel Global Power fully settled its US\$50 million term loan (equivalent to P2,905 million) drawn in October 2023 from a foreign bank.

On May 28, 2025, San Miguel Global Power paid in full the balance of its P5,000 million term loan facility entered in May 2021, amounting to P4,825 million.

Issuance and Redemption of Senior Perpetual Capital Securities (SPCS) by San Miguel Global Power

- a. On February 19, 2025, San Miguel Global Power completed the issuance of US\$100 million SPCS (the "Additional US\$100 million SPCS"), at an issue price of 100.503% of principal amount, plus an amount corresponding to accrued distributions from (and including) December 2, 2024 to (but excluding) February 19, 2025. The Additional US\$100 million SPCS was consolidated into and formed a single series with the US\$500 million SPCS issued on December 2, 2024, with an initial rate of distribution of 8.125% per annum, bringing the total securities to US\$600 million. The Additional US\$100 million SPCS are identical in all respects with the US\$500 million SPCS, except for the date of issuance and issue price.

The net proceeds will be used for the partial purchase, repurchase and/or redemption of the outstanding 7.00% SPCS issued in October and December 2020.

The US\$100 million SPCS was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on February 20, 2025.

- b. On May 9, 2025, San Miguel Global Power completed the redemption of the US\$113 million SPCS, pursuant to the terms and conditions of the securities. The US\$113 million SPCS is the remaining securities out of the US\$500 million SPCS issued in November 2019. The redemption price included the principal amount and any accrued but unpaid distributions up to (but excluding) the redemption date.

Redemption of Redeemable Perpetual Capital Securities (RPCS)

On April 7, 2025, San Miguel Global Power redeemed a portion of its outstanding RPCS issued to SMC with total carrying amount equivalent to P57,300 million and paid distributions amounting to P1,528 million.

Events After the Reporting Date

▪ Issuances of SPCS by San Miguel Global Power

On July 24, 2025, San Miguel Global Power completed the issuance of US\$400 million SPCS (the US\$400 million SPCS), at an issue price of 100%, with an initial rate of distribution of 8.95% per annum. The issuance consists of US\$223 million in aggregate principal amount of SPCS (the "Concurrent Exchange Offers") issued in exchange for the 7.00% SPCS issued on October 21 and December 15, 2020 and 5.70% SPCS issued on January 21, 2020 (collectively, the "Existing Securities"), and US\$177 million in aggregate principal amount of new securities (the "Additional New Securities"). The US\$400 million SPCS was listed on the SGX-ST on July 25, 2025.

The net proceeds from the issuance of the US\$400 million SPCS will be applied to the following: (i) costs and expenses related to the Concurrent Exchange Offers, including payment of accrued distribution amount in respect of the Existing Securities accepted for exchange pursuant to the terms and conditions of the Concurrent Exchange Offers; (ii) costs and expenses related to the issuance of the Additional New Securities; (iii) purchase, repurchase and/or redemption of all remaining outstanding Existing Securities following the Concurrent Exchange Offers; and (iv) for pre-development costs of solar and hydropower energy projects, and capital expenditures related to BESS projects.

On August 11, 2025, San Miguel Global Power completed the issuance of US\$115 million SPCS (the "US\$115 million SPCS") at an issue price of 100% plus an amount corresponding to accrued distribution from and including July 24, 2025 to, but excluding, August 11, 2025.

The US\$115 million SPCS is consolidated into and form a single series with the US\$400 million SPCS issued on July 24, 2025, bringing the total securities to US\$515 million. The US\$400 million SPCS and US\$115 million SPCS are identical in all respects, other than with respect to the date of issuance and issue price.

San Miguel Global Power intends to apply the net proceeds towards (i) the partial purchase, repurchase and/or redemption of the remaining outstanding SPCS issued in October and December 2020, and (ii) for pre-development costs of solar and hydropower energy projects and capital expenditures related to BESS projects.

▪ Purchase of Common Shares of Meralco by San Miguel Global Power

On July 23, 2025, San Miguel Global Power purchased a total of 43,229,796 common shares of Meralco at P90.00 per share from Land Bank of the Philippines through a special block sale crossed through the Philippine Stock Exchange, by virtue of the Deed of Absolute Sale of Shares executed by the parties, which contained the terms and conditions mutually determined by and acceptable to both parties and conformably with the decision of the Court of Appeals.

▪ Availment of Term Loans by San Miguel Global Power

On July 3, 2025, San Miguel Global Power availed of an additional US\$50 million from the facility agreement executed on May 13, 2025. The proceeds from the additional loan shall be used for general corporate purposes and transaction-related fees, costs and expenses in relation to the facility.

On August 11, 2025, San Miguel Global Power availed a total of P10,200 million fixed-rate notes from a Trust Agreement executed on July 30, 2025, with maturities up to 2035. The proceeds will be used for refinancing of existing obligations of San Miguel Global Power and for general corporate purposes.

II. FINANCIAL PERFORMANCE

2025 vs. 2024

	June 30		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
<i>In Millions</i>	2025	2024	Amount	%	2025	2024
Revenues	P80,147	P98,944	(P18,797)	(19%)	100%	100%
Cost of power sold	54,043	72,468	(18,425)	(25%)	67%	73%
Gross profit	26,104	26,476	(372)	(1%)	33%	27%
Selling and administrative expenses	3,984	3,488	496	14%	5%	4%
Income from operations	22,120	22,988	(868)	(4%)	28%	23%
Interest expense and other financing charges	(11,761)	(9,924)	1,837	19%	(15%)	(10%)
Interest income	1,676	436	1,240	284%	2%	1%
Equity in net earnings of associates and joint ventures - net	4,351	180	4,171	2,317%	5%	0%
Other income (charges) - net	21,654	(3,776)	25,430	673%	27%	(4%)
Income before income tax	38,040	9,904	28,136	284%	47%	10%
Income tax expense	3,467	2,466	1,001	41%	4%	2%
Net income	P34,573	P7,438	P27,135	365%	43%	8%

Revenues

The Group's consolidated revenues for the first semester of 2025 amounted to P80,147 million, lower by 19% from the P98,944 million recognized in the same period last year. The decline was due primarily to the aforementioned divestment and resulting deconsolidation of SPPC, owner of the 1,278 MW Ilijan Power Plant, following the completion of the Chromite Transaction. In addition, the decline in revenues reflects a downward adjustment in fuel tariffs to bilateral customers as coal fuel prices went down by 21% with GC Newcastle prices declining from an average of US\$131 per metric ton (MT) for the first semester of 2024 to US\$103/MT for the same period this year. The effect of the deconsolidation was compensated by the revenue contributions from: (a) the full semester operations of 4 generation units of the 600 MW Mariveles Greenfield Power Plant and 3 BESS facilities with a combined capacity of 110 MWh which started commercial operations in March 2024; (b) additional 5 BESS facilities with a total capacity of 140 MWh that commenced commercial operations in 2025; and (c) Units 1 and 2 of EERI's BCCPP, which is 33% owned by the Group following the aforesaid divestment, with a net capacity of 425 MW each, were declared operational on December 29, 2024 and January 7, 2025, respectively.

Costs of Power Sold

Costs of power sold decreased to P54,043 million for the first semester of 2025, which is 25% lower than the P72,468 million incurred for the same period last year. This reduction was attributable to the following: (i) deconsolidation of SPPC which contributed a net decrease in cost of power sold by P19,578 million; and (ii) lower generation costs, as coal global prices averaged at US\$103/MT during the period – down from the US\$131/MT (in GC Newcastle terms) for the same period last year. The decline was countered by the increase in cost of power sold with the full semester operations of the Mariveles Greenfield Power Plant's 4 units, incremental depreciation expense from the additional 8 BESS facilities and the one-month operation of EERI's new gas plant prior to its deconsolidation.

Selling and Administrative Expenses

Selling and administrative expenses increased by 14% or P496 million, from P3,488 million for the first semester of 2024 to P3,984 million in 2025 for the same period. The increase was mainly due to incremental operating expenses associated with the full semester operations of the Mariveles Greenfield Power Plant and the additional 8 BESS facilities as well as the one-month operation of EERI's new gas plant prior its deconsolidation.

Income from Operations

Consolidated income from operations of P22,120 million for the first semester of 2025 decreased by 4% from the same period last year mainly attributable to the deconsolidation of the Ilijan Power Plant. However, the impact of the deconsolidation was mitigated by improved margins from contracted capacities with fuel passthrough arrangements for most of its bilateral customers, including PSAs with Meralco, as well as the additional margins contributed from ancillary services rendered for NGCP and offered to the reserves market through its BESS facilities.

Interest Expense and Other Financing Charges

Interest expense and other financing charges went up by 19% to P11,761 million for the first semester of 2025. This was mainly attributable to the P32,500 million and P9,400 million term loans drawn in tranches by MPGC in December 2024 and March 2025, respectively. This was partly mitigated by lower interest expense on the declining principal balances of the Group's finance lease liabilities owed to Power Sector Assets and Liabilities Management Corporation (PSALM) with only the Independent Power Producer Administrator (IPPA) Agreement of San Roque Hydropower Inc. (SRHI) outstanding, as the finance lease liabilities arising from the Sual IPPA Agreement was fully settled in October 2024.

Interest Income

Interest income amounted to P1,676 million for the first semester of 2025. The higher number was due primarily to the increase in outstanding short-term placements of the Group compared to last year.

Equity in Net Earnings of Associates and Joint Ventures - net

Equity in net earnings of associates and joint ventures reached P4,351 million in the first semester of 2025 from the P180 million recorded in the same period last year. This improvement was mainly due to the share in the net earnings of SPPC, EERI, and IPIEC - following the dilution of the Group's equity interests thereon from 100% to 33%, as well as the improved financial performance of Angat Hydropower Corporation (AHC).

Other Income (Charges) - net

Other income-net amounted to P21,654 million for the first semester of 2025, a significant turnaround from the P3,776 million other charges-net registered for the same period last year. This surge was primarily driven by the revaluation gain recognized from the dilution of equity interests in SPPC, EERI and IPIEC following the completion of the Chromite Transaction. In addition, foreign exchange loss recognized was lower compared to last year due to the appreciation of the Philippine Peso against the US Dollar.

Income Tax Expense

Provision for income tax amounted to P3,467 million for the first semester of 2025, higher by 41% from last years' P2,466 million mainly due to the provisions for deferred tax expense recognized on unrealized foreign exchange revaluation and lease-related liabilities for the period.

Net Income

Consequently, the consolidated net income of the Group for the first semester of 2025 increased to P34,573 million or by 365%, from P7,438 million reported for the same period last year.

The following are the highlights of the performance of the individual operating business segments:

1. POWER GENERATION

a. SPI, owner of Sual Power Plant

For the first semester of 2025, net generation of 2,161 gigawatt hours (GWh), at 41% net capacity factor rate, was lower by 31% than the same period in 2024 mainly due to the plant's longer outages.

Revenues of P18,777 million fell by 35%, from P28,817 million in 2024. The decrease was mainly due to lower spot sales volume and the decline in bilateral offtake volume as contracts with certain distribution utilities (DUs) expired in December 2024 but was partly replaced by new contracts that took effect only in February 2025 or still awaiting regulatory approvals. Moreover, lower average realization price resulting from: (i) lower fuel tariff as global coal prices fell from an average of US\$131/MT in the first semester of 2024 to US\$103/MT for the same period in 2025 and (ii) 34% drop in the average spot selling price from P6.72 per kilowatt hours (kWh) in 2024 to P4.45/kWh in 2025, contributed to the decline in revenues.

Consequently, operating income for the first half of 2025 registered at P3,182 million, down from the P6,724 million posted in 2024.

b. SPPC, owner of Ilijan Power Plant

Upon completion of the Chromite Transaction on January 27, 2025, San Miguel Global Power's equity interest in SPPC was diluted from 100% to 33% resulting to a loss of control over SPPC. Accordingly, the assets and liabilities of SPPC were deconsolidated from the books of San Miguel Global Power and the recognition of share in SPPC's net earnings commenced following the deconsolidation.

For the month of January 2025, the Ilijan Power Plant contributed 424 GWh (at 47% net capacity factor rate), P4,346 million and P1,254 million to the Group's net generation, revenues and operating income, respectively. After the deconsolidation, share in net earnings recognized from the operations of SPPC amounted to P1,252 million during the period.

c. LPI, owner of Limay Greenfield Power Plant

For the first semester of 2025, the net generation of Limay Greenfield Power Plant of 1,578 GWh, at 68% net capacity factor rate, was lower by 21% than the 1,989 GWh registered for the same period in 2024 due to the plant's longer outages. LPI dispatched 902 GWh of the plant's net generation to its power generation customers while the rest was dispatched to its retail electricity supplier (RES) customers.

On the other hand, total offtake volume has gone up to 1,505 GWh, a 108% increase from same period in 2024 attributable to the emergency PSA with Meralco that commenced in August 2024 up to February 2025. Likewise, revenues increased by 72% from P4,399 million in 2024 to P7,555 million in 2025 due to higher offtake volume and higher contracted rate realized for certain bilateral contracts.

On the other hand, operating income of P1,032 million for the first semester of 2025 was 35% lower than the P1,592 million posted in the same period last year on account of higher power purchases as a result of lower plant availability during the period.

d. **MPI, owner of Davao Greenfield Power Plant**

For the first semester of 2025, a total of 793 GWh was generated by the plant, at a net capacity factor rate of 69%. This was lower by 7% compared to the same period in 2024 owing mainly to lower bilateral nominations. Consequently, total offtake volume decreased by 6% to 811 GWh.

Likewise, revenues at P4,613 million dropped by 12% from the previous year driven by lower offtake volumes and reduced average realization price resulting from lower fuel tariff following the decline in global coal prices. As a result, operating income dropped by 33% to P1,104 million.

e. **MPCL, owner of Masinloc Power Plant**

The Masinloc Power Plant's operating Units 1, 2, and 3 contributed a total net generation of 2,909 GWh for the first semester of 2025 with 2,745 GWh or 94% supplied to power generation customers while the rest was discharged to RES customers. This was 1% higher, compared to the 2,869 GWh generated from the same period in 2024.

Total offtake volume of 3,386 GWh went up from the same period in 2024 resulting primarily from higher customer nominations. Revenues grew by 21% to P18,205 million and operating income increased by 48% to P4,200 million for the first semester of 2025 compared to the same period in 2024. The growth was driven by higher offtake volumes and improved average realization prices under new and renewed bilateral contracts.

f. **MPGC, owner of Mariveles Greenfield Power Plant**

For the first semester of 2025, the net generation of Mariveles Greenfield Power Plant is registered at 1,909 GWh, at 82% net capacity factor rate. This represents a 45% increase compared to the same period in 2024 primarily driven by higher plant dispatch with Units 1 to 4 declared operational on March 28, 2024, September 26, 2024, October 26, 2024, and January 9, 2025, respectively. Total offtake volume of 1,926 GWh likewise increased by 45% as a result of higher net generation supplied to the spot market, affiliate generators, and to Meralco pursuant to the commencement of the 300 MW PSA on June 2, 2025.

As a result, revenues surged to P9,844 million, a 117% increase from the P4,538 million posted in the same period last year. Likewise, operating income significantly improved at P2,187 million, up by 264% from the P601 million for the first half of 2024.

g. **EERI, owner of the new BCCPP**

Testing and commissioning activities of EERI's Units 1 and 2 started in November 2024 while Unit 3 started in January 2025. Subsequently, Units 1 and 2 were declared operational starting on December 29, 2024 and January 7, 2025, respectively.

As a result of the completion of the Chromite Transaction on January 27, 2025, San Miguel Global Power's equity interest in EERI was diluted from 100% to 33% thereby resulting to a loss of control over EERI. Accordingly, the assets and liabilities of EERI were deconsolidated from the books of San Miguel Global Power and the recognition of share in EERI's net earnings commenced following the deconsolidation.

For the month of January 2025, the BCCPP of EERI contributed 364 GWh (at 41% net capacity factor rate), P3,058 million and P731 million to the Group's net generation, revenues and operating income, respectively. After the deconsolidation, share in net earnings recognized from the operations of EERI amounted to P2,188 million during the period.

h. SRHI, IPPA of San Roque Hydroelectric Power Plant

The San Roque Hydroelectric Power Plant's net generation of 336 GWh for the first semester of 2025, at 22% net capacity factor rate, increased by 67% due to longer operating hours attributable mainly to higher water reservoir level. Meanwhile, total offtake volumes of 657 GWh decreased by 5% compared to the same period in 2024 owing to the expiration of its contract with a bilateral customer.

Consequently, revenues decreased by 5% to P3,348 million, compared to P3,534 million for the same period last year. However, operating income rose significantly to P655 million, representing a 307% increase from the same period in 2024, on account of lower costs to supply.

2. RETAIL AND OTHER POWER-RELATED SERVICES

a. LPI - RES

For the first semester of 2025, total offtake volume registered at 1,256 GWh, lower by 29% compared to the same period in 2024 at 1,774 GWh due mainly to lower customer nominations. Likewise, revenues decreased by 25% from P10,515 million in 2024 to P7,855 million for the first semester of 2025 due to lower offtake volume.

Consequently, operating income for the semester was registered at P1,086 million, 36% lower compared to the P1,686 million posted for the same period in 2024.

b. MPCL - RES and BESS

For the first semester of 2025, revenues (consisting of revenues from RES contracts and ancillary and reserves market revenues from the 30 MWh Masinloc BESS) and operating income amounted to P4,750 million and P1,179 million, an increase of 65% and 108%, respectively, from the same period in 2024. The growth was primarily driven by a significant rise in offtake volumes supplied under new contracts, as well as the start of operations of the 20 MWh Masinloc BESS Phase II during the period.

c. SMGP Kabankalan Power Co. Ltd. (SMGP Kabankalan; owner of Kabankalan BESS Phase I and II)

Revenues and operating income increased by 32% and 49% to P563 million and P408 million, respectively, for the first semester of 2025 compared to the same period last year due mainly to the commencement of operations of the 10 MWh Kabankalan BESS Phase II that was offered to the reserves market in the current period.

d. SMGP BESS (owner of 13 BESS Facilities with combined installed capacity of 440 MWh)

For the first semester of 2025, SMGP BESS reported revenues of P6,353 million, reflecting a 67% increase compared to the same period last year. This growth was primarily driven by the full semester operations of the 3 BESS facilities, with a combined capacity of 110 MWh, which commenced operations in March 2024 and another 3 BESS facilities located in Isabela, Laguna and Misamis Oriental which commenced operations in the first half of 2025 and with a combined capacity of 110 MWh. Operating income also rose significantly to P4,629 million, up by 82% from P2,549 million in 2024.

2024 vs. 2023

<i>In Millions</i>	June 30		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2024	2023	Amount	%	2024	2023
Revenues	P98,944	P84,770	P14,174	17%	100%	100%
Cost of power sold	72,468	67,001	5,467	8%	73%	79%
Gross profit	26,476	17,769	8,707	49%	27%	21%
Selling and administrative expenses	3,488	3,018	470	16%	4%	4%
Income from operations	22,988	14,751	8,237	56%	23%	17%
Interest expense and other financing charges	(9,924)	(8,538)	1,386	16%	(10%)	(10%)
Interest income	436	718	(282)	(39%)	1%	1%
Equity in net earnings (losses) of an associate and joint ventures - net	180	(5)	185	3700%	0%	0%
Other income (charges) - net	(3,776)	1,847	(5,623)	(304%)	(4%)	2%
Income before income tax	9,904	8,773	1,131	13%	10%	10%
Income tax expense	2,466	2,864	(398)	(14%)	2%	3%
Net income	P7,438	P5,909	P1,529	26%	8%	7%

Revenues

The Group's consolidated revenues for the first semester of 2024 amounted to P98,944 million, higher by 17% from P84,770 million recognized for the same period of 2023. The increase was mainly driven by higher offtake volume from the following sources: (i) several PSA from Meralco and other DUs secured by the Group that allowed the contracting of its available capacities mainly from the 1,278 MW Ilijan Power Plant of SPPC and the incremental generation from the 600 MW Mariveles Greenfield Power Plant, with most of its units undergoing testing and commissioning, and (ii) ancillary services rendered for NGCP using a total of 10 BESS facilities of SMGP BESS, with a combined installed capacity of 330 MWh during the period.

Cost of Power Sold

Cost of power sold increased to P72,468 million for the first semester of 2024, which is 8% higher than the P67,001 million incurred for the same period of 2023. The increase was mainly attributable to: (i) the resumption of Ilijan Power Plant's operations from June 2023 onwards, (ii) costs of generation of the Mariveles Greenfield Power Plant while most of its units undergo testing and commissioning, (iii) incremental depreciation expense from the 10 BESS facilities that are now in full commercial operations. The increase in cost of power sold was partially mitigated by lower fuel costs incurred by the Group's coal-fired power plants as global coal prices went down - averaging only US\$131/MT in the first semester of 2024 compared to US\$204/MT in 2023 for the same period, in terms of GC Newcastle indexed prices. These price movements in fuel were reflected in the tariff rates of the pertinent PSAs and have been imputed as part of Revenues.

Selling and Administrative Expenses

Selling and administrative expenses increased by 16% or P470 million, from P3,018 million for the first semester of 2023 to P3,488 million in 2024 for the same period. The increase was mainly due to incremental operating expenses resulting from the aforesaid start of commercial operations of the 10 BESS facilities and the Mariveles Greenfield Power Plant and personnel-related expenses of the Group necessary for its continuing business expansion.

Income from Operations

As a result, consolidated income from operations of P22,988 million for the first semester of 2024 was up by 56% from the same period of 2023 owing to improved margins as the Group worked out a successful transition to fuel passthrough arrangements for most of its bilateral customers including the 1,200 MW PSA of SPPC with Meralco that was in effect for most part of the first semester of 2024, as well as the additional margins contributed by BESS through ancillary services.

Interest Expense and Other Financing Charges

Interest expense and other financing charges went up to P9,924 million for the first semester of 2024. This is attributable to the additional P40,000 million term loan drawn in tranches by SMGP BESS and the pervasive increase in global and local interest rates which affected primarily the new and outstanding debts of the Group, but was partly mitigated by lower interest expense on the declining principal balances of the Group's finance lease liabilities owed to PSALM arising from the IPPA agreements, such as primarily on the Sual Power Plant, which was fully settled by October 2024.

Interest Income

Interest income amounted to P436 million for the first semester of 2024. The lower number compared to the same period of 2023 was due primarily to shorter placement periods as funds were utilized to cover capital expenditures for ongoing construction projects.

Equity in Net Earnings (Losses) of an Associate and Joint Ventures - net

Equity in net earnings of an associate and joint ventures registered at P180 million for the first semester of 2024, a turnaround from the P5 million loss for the same period of 2023, mainly due to the improvement in the financial performance of AHC.

Other Income (Charges) - net

Other charges amounted to P3,776 million for the first semester of 2024, a complete turnaround from the P1,847 million other income for the same period of 2023. This was mainly due to the net foreign exchange loss recognized on the revaluation of the Group's US Dollar-denominated net monetary liabilities, with the depreciation of the Philippine Peso against the US Dollar during the period, which is in stark contrast to the significant appreciation of the Philippine Peso against the US Dollar seen in the first semester of 2023.

Income Tax Expense

Provision for income tax amounted to P2,466 million for the first semester of 2024. The lower number compared to the same period in 2023 was due mainly to: (i) deferred tax benefit recognized by the Group on its unrealized foreign exchange losses during the period, partly offset by (ii) higher income tax expense of LPI and MPI following the expiration of its income tax holiday in May and September 2023, respectively, and higher taxable income of SPPC.

Net Income

Consequently, the consolidated net income of the Group for the first semester of 2024 increased to P7,438 million or by 26%, from P5,909 million reported for the same period in 2023. Without the impact of the net foreign exchange differential recognized in the first semesters of 2024 and 2023, the consolidated net income would have increased by 129% from the same period of 2023.

The following are the highlights of the performance of the individual operating subsidiaries per business segments:

1. POWER GENERATION

a. SPI, owner of Sual Power Plant

For the first semester of 2024, net generation of 3,125 GWh, at 60% net capacity factor rate, was lower by 13% than in 2023 same period due mainly to the plant's longer outages. Offtake volumes was down by 4% as a result of lower bilateral sales volume partially offset by higher spot sales volume.

Revenues of P28,817 million decreased by 31% compared to the P41,659 million reported for the same period of 2023 due mainly to lower average realization price resulting from lower fuel tariff as global coal prices fell from an average of US\$204/MT in the first semester of 2023 to an average of just US\$131/MT in 2024 same period.

Notwithstanding the decrease in revenues, margins managed to improve mainly on account of the decline in generation costs brought by lower global coal prices. Thus, operating income for the first semester of 2024 increased to P6,724 million from P6,625 million in 2023.

b. SPPC, owner of Ilijan Power Plant

The net generation of Ilijan Power Plant for the first semester of 2024 significantly increased to 3,326 GWh, from 134 GWh registered in 2023, due primarily to the plant's resumption of operations from June 2023 following the successful supply of LNG from the Batangas LNG terminal.

Likewise, total offtake volumes of 3,864 GWh for the first semester of 2024 more than doubled compared to the same period in 2023 on account of the increase in Meralco nominations due to the full semester impact of its PSAs with Meralco. Said bilateral contracts have fuel passthrough arrangements that translated to a higher average realization rate. Consequently, revenues surged to P27,994 million for the first semester of 2024 from the P12,234 million posted for the same period in 2023.

For the first semester of 2024, SPPC recognized an operating income of P4,566 million due mainly to improved margins. This was a complete turnaround from the P2,143 million operating loss posted in 2023 same period.

c. LPI, owner of Limay Greenfield Power Plant

The net generation of the Limay Greenfield Power Plant of 1,989 GWh for the first semester of 2024, at 85% net capacity factor rate, was lower by 5% than same period in 2023 at 2,084 GWh. LPI dispatched 337 GWh of the plant's net generation to its power generation customers while the rest was dispatched to its RES customers.

For the first semester of 2024, total offtake volumes of 725 GWh went down from same period in 2023 by 39% due to the decrease in replacement power sales volume. Moreover, revenues decreased by 42% from P7,550 million in 2023 to P4,399 million in 2024 attributable to lower offtake volume and lower average realization price with the decline in fuel tariff passed-on to customers as a result of lower global coal prices.

On the other hand, operating income registering at P1,592 million for the first semester of 2024 was 28% higher than the P1,243 million posted in 2023 mainly on account of improved margins as generation costs declined brought by lower global coal prices.

d. MPI, owner of Davao Greenfield Power Plant

For the first semester of 2024, a total of 853 GWh was generated by the plant, at a capacity factor rate of 74%, higher compared to the same period in 2023 by 29% due to the increase in spot nominations.

On the other hand, revenues at P5,241 million dropped by 16% compared to 2023 due to lower average realization price resulting from lower fuel tariff as global coal prices fell. As a result, operating income at P1,636 million fell by 14% compared to same period in 2023.

e. MPCL, owner of Masinloc Power Plant

The Masinloc Power Plant's operating Units 1, 2, and 3 contributed a total net generation of 2,869 GWh for the first semester of 2024 with 2,551 GWh or 89% supplied to power generation customers while the rest was discharged to RES customers. This was 8% higher, compared to the 2,660 GWh generated in 2023, as a result of lower outage days attributed to the scheduled preventive maintenance of Unit 1 in 2023.

Total offtake volumes of 2,943 GWh went up from 2023 resulting primarily from higher customer nominations. On the other hand, revenues and operating income decreased to P15,027 million and P2,831 million, respectively, on account of lower average realization price due to the decline in fuel tariff passed on to bilateral customers as global coal prices fell as well as the decline in spot prices for the period.

f. SRHI, IPPA of San Roque Hydroelectric Power Plant

The San Roque Hydroelectric Power Plant's net generation of 202 GWh for the first semester of 2024, at 13% net capacity factor rate, fell by 23% due to shorter operating hours attributable mainly to lower water reservoir level. Likewise, total offtake volumes of 694 GWh decreased by 14% compared to the same period in 2023 resulting from lower generation.

Revenues of P3,534 million decreased by 53% compared to the P7,481 million reported in 2023 due mainly to the decline in offtake volumes and lower average realization price resulting from lower average spot price.

Operating income of P161 million for the first semester of 2024 dropped by 90% compared to same period in 2023 due to lower margin, owing to the aforesaid decline in the average realization price and offtake volumes.

2. RETAIL AND OTHER POWER-RELATED SERVICES

a. LPI - RES

For the first semester of 2024, total offtake volumes registered at 1,774 GWh. This increased by 80% compared to the 987 GWh reported in 2023 due mainly to higher nominations from customers. Likewise, revenues increased by 36% from P7,730 million to P10,515 million for the first semester of 2024 due to higher offtake volume.

Consequently, operating income for the first semester of 2024 was registered at P1,686 million, 101% higher than the P837 million posted for the same period in 2023.

b. MPCL - RES and BESS

For the first semester of 2024, revenues (inclusive of ancillary revenues from the 10 MWh Masinloc BESS Phase I) and operating income decreased to P2,874 million and P566 million, respectively, on account of lower average realization price during the period.

c. SMGP Kabankalan, owner of Kabankalan BESS Phase I

Revenues of P428 million for the first semester of 2024 increased by 56% compared to same period in 2023. Likewise, operating income of P273 million was higher by 142% compared to same period in 2023 on account of higher offtake volume since Kabankalan I BESS underwent repair works in 2023.

d. SMGP BESS, owner of various BESS Facilities

For the first semester of 2024, SMGP BESS reported revenues and operating income of P3,815 million and P2,549 million, respectively. Beginning July 2023, the ERC granted provisional authority for the implementation of ASPA between NGCP and SMGP BESS with 7 BESS facilities, with a combined installed capacity of 220 MWh, commencing commercial operations on various dates during the second semester of 2023. Another 3 BESS facilities, with a combined installed capacity of 110 MWh, were declared operational in March 2024.

III. FINANCIAL POSITION

2025 vs. 2024

			Horizontal Analysis		Vertical Analysis	
	June 30, 2025	December 31, 2024	Increase (Decrease)			
In Millions			Amount	%	2025	2024
Cash and cash equivalents	P85,993	P67,867	P18,126	27%	10%	8%
Trade and other receivables - net	107,197	115,884	(8,687)	(7%)	13%	13%
Inventories	10,090	14,326	(4,236)	(30%)	2%	2%
Prepaid expenses and other current assets	34,611	51,562	(16,951)	(33%)	4%	6%
Total Current Assets	237,891	249,639	(11,748)	(5%)	29%	29%
Investments and advances - net	74,009	19,896	54,113	272%	9%	2%
Property, plant and equipment - net	370,103	459,506	(89,403)	(19%)	44%	52%
Right-of-use assets - net	41,066	42,123	(1,057)	(3%)	5%	5%
Goodwill and other intangible assets - net	70,227	71,736	(1,509)	(2%)	8%	8%
Deferred tax assets	1,152	1,354	(202)	(15%)	0%	0%
Other noncurrent assets	38,826	37,619	1,207	3%	5%	4%
Total Noncurrent Assets	595,383	632,234	(36,851)	(6%)	71%	71%
Total Assets	P833,274	P881,873	(P48,599)	(6%)	100%	100%
Loans payable	P28,500	P41,350	(P12,850)	(31%)	3%	5%
Accounts payable and accrued expenses	93,603	144,102	(50,499)	(35%)	11%	16%
Lease liabilities - current portion	4,657	10,049	(5,392)	(54%)	1%	1%
Income tax payable	82	80	2	3%	0%	0%
Current maturities of long-term debt - net of debt issue costs	38,893	28,477	10,416	37%	5%	3%
Total Current Liabilities	165,735	224,058	(58,323)	(26%)	20%	25%
Long-term debt - net of current maturities and debt issue costs	239,417	249,461	(10,044)	(4%)	29%	28%
Deferred tax liabilities	17,026	23,978	(6,952)	(29%)	2%	3%
Lease liabilities - net of current portion	18,427	21,357	(2,930)	(14%)	2%	2%
Other noncurrent liabilities	4,149	3,994	155	4%	0%	1%
Total Noncurrent Liabilities	279,019	298,790	(19,771)	(7%)	33%	34%
Total Liabilities	444,754	522,848	(78,094)	(15%)	53%	59%
Forward						

			Horizontal Analysis		Vertical	
	June 30,	December 31,	Increase (Decrease)		Analysis	
<i>In Millions</i>	2025	2024	Amount	%	2025	2024
Equity Attributable to Equity Holders of the Parent Company						
Capital stock	P4,785	P2,824	P1,961	69%	1%	0%
Additional paid-in capital	104,896	48,082	56,814	118%	13%	5%
Senior perpetual capital securities	151,318	151,195	123	0%	18%	17%
Redeemable perpetual capital securities	88,680	145,979	(57,299)	(39%)	11%	17%
Equity reserves	3,646	(16,385)	20,031	122%	0%	(1%)
Retained earnings	34,220	26,387	7,833	30%	4%	3%
	387,545	358,082	29,463	8%	47%	41%
Non-controlling Interests	975	943	32	3%	0%	0%
Total Equity	388,520	359,025	29,495	8%	47%	41%
Total Liabilities and Equity	P833,274	P881,873	(P48,599)	(6%)	100%	100%

The Group's consolidated total assets as at June 30, 2025, amounted to P833,274 million, lower by 6% or P48,599 million than December 31, 2024 balance of P881,873 million. The decline was attributable to the following factors:

- a. Decrease in property, plant and equipment by P89,403 million as a result of the deconsolidation of SPPC and EERI's property, plant and equipment, partly offset by additional capital expenditures for Masinloc Units 4 and 5 and BESS projects.
- b. Decrease in prepaid expenses and other current assets by P16,951 million was mainly attributable to the deconsolidation of SPPC and EERI's prepaid taxes, input value-added tax and advance payments for LNG procurements. This was partially offset by additional restricted cash set aside for debt servicing requirements of the Group.
- c. Decrease in trade and other receivables by P8,687 million was mainly attributable to the deconsolidation of SPPC and EERI's receivables, partly offset by higher trade receivables of MPGC from revenues generated by its 4 units and of SMGP BESS and SMGP Kabankalan from ancillary and reserves market revenues during the current period.
- d. Decrease in inventories by P4,236 million was mainly attributable to the deconsolidation of SPPC and EERI's LNG and spare parts inventories.
- e. Decrease in deferred tax assets by P202 million was due mainly to the recognition of provision for deferred income tax expense on unrealized foreign exchange gain from the revaluation of US Dollar-denominated loans and payables of MPCL.
- f. Increase in investment and advances by P54,113 million was attributable to the recognition of 33% equity interests retained in SPPC, EERI and IPIEC at fair value, the acquisition of the 33% equity interest in LFC and related costs, and the recognition of share in net earnings of the said entities during the period.
- g. Increase in cash and cash equivalents by P18,126 million was due mainly to the following: (i) net proceeds from the redemption by the deconsolidated entities of its redeemable preferred shares issued to San Miguel Global Power in January 2025; (ii) proceeds from SMC's capital infusion in San Miguel Global Power in April 2025; (iii) cash generated from operations; (iv) net proceeds from short-term loans availed by SPI drawn in May and June 2025, US\$100 million term loan drawn by San Miguel Global Power in May 2025, and the additional loan drawn by MPGC from its OLSA in

March 2025; and (v) net proceeds from the issuance of US\$100 million SPCS in February 2025; partly offset by the (vi) redemption of capital securities in April and May 2025; (vii) payments of maturing short/long-term loans of the Group; (viii) capital expenditures for Masinloc Power Plant Units 4 and 5 and BESS and other power expansion projects; (ix) distributions paid to the holders of perpetual capital securities; and (x) lease payments of SPI and SRHI to PSALM.

The Group's consolidated total liabilities as at June 30, 2025, amounted to P444,754 million, 15% or P78,094 million lower than the December 31, 2024 balance of P522,848 million. The major items accounting for the decrease are as follows:

- a. Decrease in accounts payable and accrued expenses by P50,499 million was mainly attributable to the deconsolidation of SPPC and EERI; partly offset by net additional payables to contractors relating to the Group's ongoing construction projects.
- b. Decrease in loans payable by P12,850 million was due to settlements by San Miguel Global Power and MPGC during the period and the deconsolidation of SPPC's P5,000 million short-term loan. This was partly offset by short-term loans, drawn by SPI in May and June 2025, amounting to P13,500 million.
- c. Decrease in lease liabilities (including current and noncurrent portions) by P8,322 million was mainly on account of lease payments to PSALM by SPI, pursuant to its land lease agreement executed in October 2024, and by SRHI, pursuant to its IPPA Agreement.
- d. Decrease in deferred tax liabilities by P6,952 million was mainly attributable to the deconsolidation of SPPC, partly offset by additional deferred tax expense recognized on temporary differences relating to lease liabilities and net unrealized foreign exchange gain on US Dollar-denominated borrowings during the period.
- e. Increase in long-term debt - net of debt issue costs (including current and noncurrent portions) by P372 million was attributable to the following: (i) P9,400 million drawn by MPGC from its credit facility executed in December 2024 and the US\$200 million term loans drawn by San Miguel Global Power in May 2025; (ii) amortization of debt issue costs during the period, partly offset by (iii) payments of maturing long-term loans of San Miguel Global Power, LPI, MPI, MPCL and SMGP BESS; and (iv) unrealized foreign exchange gain recognized on the revaluation of US Dollar-denominated loans.

The Group's consolidated total equity as at June 30, 2025 amounted to P388,520 million, higher by 8% or P29,495 million than the December 31, 2024 balance of P359,025 million. The increase is accounted for as follows:

- a. Increase in total paid in capital by P58,775 million (consisting of capital stock and additional paid-in capital) was due to additional capital infusions from SMC during the period.
- b. Increase in equity reserves by P20,031 million was mainly attributable to the gain (net of tax) recognized by San Miguel Global Power from its investments in the preferred shares issued by SPPC, EERI and IPIEC and redeemed by the latter in January 2025.
- c. Increase in retained earnings by P7,833 million was mainly attributable to the net income for the first semester of 2025 and partly offset by the distributions to perpetual capital security holders.
- d. Decrease in RPCS by P57,299 million was due to San Miguel Global Power's redemption during the period of certain RPCS issued to SMC.

2024 vs. 2023

<i>In Millions</i>	June 30, 2024	December 31, 2023	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
			Amount	%	2024	2023
Cash and cash equivalents	P18,217	P31,659	(P13,442)	(42%)	2%	4%
Trade and other receivables - net	125,950	116,976	8,974	8%	16%	15%
Inventories	12,956	16,841	(3,885)	(23%)	2%	2%
Prepaid expenses and other current assets	49,084	48,522	562	1%	6%	6%
Total Current Assets	206,207	213,998	(7,791)	(4%)	26%	27%
Investments and advances - net	13,049	10,953	2,096	19%	2%	1%
Property, plant and equipment - net	364,248	339,225	25,023	7%	45%	44%
Right-of-use assets - net	102,530	104,975	(2,445)	(2%)	13%	13%
Goodwill and other intangible assets - net	71,663	71,712	(49)	0%	9%	9%
Deferred tax assets	1,431	974	457	47%	0%	0%
Other noncurrent assets	42,073	43,098	(1,025)	(2%)	5%	6%
Total Noncurrent Assets	594,994	570,937	24,057	4%	74%	73%
Total Assets	P801,201	P784,935	P16,266	2%	100%	100%
Loans payable	P28,736	P13,736	P15,000	109%	4%	2%
Accounts payable and accrued expenses	119,261	97,633	21,628	22%	15%	12%
Lease liabilities - current portion	9,644	17,645	(8,001)	(45%)	1%	2%
Income tax payable	322	222	100	45%	0%	0%
Current maturities of long-term debt - net of debt issue costs	46,955	54,125	(7,170)	(13%)	6%	7%
Total Current Liabilities	204,918	183,361	21,557	12%	26%	23%
Long-term debt - net of current maturities and debt issue costs	201,883	204,644	(2,761)	(1%)	25%	26%
Deferred tax liabilities	22,645	21,285	1,360	6%	3%	3%
Lease liabilities - net of current portion	23,127	25,142	(2,015)	(8%)	3%	3%
Other noncurrent liabilities	6,989	7,030	(41)	(1%)	1%	1%
Total Noncurrent Liabilities	254,644	258,101	(3,457)	(1%)	32%	33%
Total Liabilities	459,562	441,462	18,100	4%	58%	56%

Forward

			Horizontal Analysis		Vertical Analysis	
	June 30, 2024	December 31, 2023	Increase (Decrease)			
In Millions			Amount	%	2024	2023
Equity Attributable to Equity Holders of the Parent Company						
Capital stock	P2,824	P2,824	P -	0%	0%	0%
Additional paid-in capital	48,082	48,082	-	0%	6%	6%
Senior perpetual capital securities	121,581	161,768	(40,187)	(25%)	15%	21%
Redeemable perpetual capital securities	146,027	102,547	43,480	42%	18%	13%
Equity reserves	(7,845)	(3,020)	(4,825)	(160%)	(1%)	0%
Retained earnings	30,050	30,367	(317)	(1%)	4%	4%
	340,719	342,568	(1,849)	(1%)	42%	44%
Non-controlling Interests	920	905	15	2%	0%	0%
Total Equity	341,639	343,473	(1,834)	(1%)	42%	44%
Total Liabilities and Equity	P801,201	P784,935	P16,266	2%	100%	100%

The Group's consolidated total assets as at June 30, 2024, amounted to P801,201 million, higher by 2% or P16,266 million than December 31, 2023 balance of P784,935 million. The increase was attributable to the following factors:

- a. Increase in property, plant and equipment by P25,023 million as a result of the ongoing construction of the Masinloc Power Plant Units 4 and 5, Mariveles Greenfield Power Plant, BCCPP project, BESS projects, rehabilitation of the Ilijan Power Plant, and additional construction works for Limay and Davao Greenfield Power Plants.
- b. Increase in trade and other receivables by P8,974 million was mainly attributable to higher receivables from spot sales and higher nominations from the Group's bilateral contracts, including the PSA of SPPC with Meralco, and SMGP BESS' receivables from NGCP for the ancillary services rendered by the 3 additional BESS facilities which operated in March 2024.
- c. Increase in investment and advances by P2,096 million was mainly attributable to the additional deposits made by San Miguel Global Power to landholding companies and share in net earnings of AHC.
- d. Increase in deferred tax assets by P457 million was due primarily to the deferred income tax benefit recognized by the Group on unrealized foreign exchange losses from the revaluation of its US Dollar-denominated net monetary liabilities.
- e. Decrease in cash and cash equivalents by P13,442 million was due mainly to the (i) redemption of the US\$783 million SPCS in April 2024, (ii) capital expenditures for Masinloc Power Plant Units 4 and 5, BCCPP, BESS projects, Mariveles Greenfield Power Plant, and Ilijan Power Plant, (iii) payments of maturing long-term loans of San Miguel Global Power, LPI, MPCL and MPI, (iv) lease payments of the IPPAs to PSALM, (v) redemption of Series I fixed rate bonds in April 2024, and (vi) distributions paid to the holders of capital securities. These were partly offset by cash generated from operations and net proceeds from the (i) issuance of US\$800 million RPCS, (ii) P12,000 million term loan drawn by SMGP BESS from its OLSA and (iii) P15,000 million short-term loans drawn by San Miguel Global Power.
- f. Decrease in inventories by P3,885 million was attributable primarily to higher consumption of LNG, spare parts and coal inventories for the Ilijan and coal-fired power plants which exceeded purchases during the period.

The Group's consolidated total liabilities as at June 30, 2024, amounted to P459,562 million, 4% or P18,100 million higher than the December 31, 2023 balance of P441,462 million. The major items accounting for the increase are as follows:

- a. Increase in accounts payable and accrued expenses by P21,628 million was mainly attributable to additional payables to contractors relating to the Group's ongoing construction projects, and higher trade payables mainly for the acquisition of LNG and coal fuel inventories and power purchases.
- b. Increase in loans payable by P15,000 million was due to additional short-term loans drawn by San Miguel Global Power from local banks during the period.
- c. Increase in deferred tax liability by P1,360 million was mainly attributable to (i) SPPC's application of its available net operating loss carry over benefits to its income tax due and (ii) additional provision for deferred income tax expense arising from lease-related expenses of SPI and SRHI.
- d. Increase in income tax payable by P100 million was mainly attributable to higher income tax due of LPI and MPI, following the expiration of its income tax holiday incentives in May and September 2023, respectively, partly offset by the Group's remittance in April 2024 of income tax payable for 2023.
- e. Decrease in lease liabilities (including current and noncurrent portions) by P10,016 million was mainly on account of (i) lease payments made by the IPPA entities to PSALM, partly offset by the (ii) the foreign exchange loss recognized for the period on the revaluation of US Dollar-denominated lease liabilities.
- f. Decrease in long-term debt - net of debt issue costs (including current and noncurrent portions) by P9,931 million was attributable to the: (i) payments of maturing long-term loans of San Miguel Global Power, LPI, MPCL and MPI, (ii) redemption of Series I fixed-rate bonds in April 2024, partly offset by (iii) the P12,000 million drawn by SMGP BESS from its P40,000 million credit facility, (iv) unrealized foreign exchange loss recognized on the revaluation of US Dollar-denominated loans, and (v) amortization of debt issue costs.

The Group's consolidated total equity as at June 30, 2024 amounted to P341,639 million, lower by 1% or P1,834 million than the December 31, 2023 balance of P343,473 million. The decrease is accounted for as follows:

- a. Decrease in SPCS by P40,187 million was mainly attributable to the redemption of the US\$783 million SPCS in April 2024.
- b. Decrease in equity reserves by P4,825 million was mainly attributable to the difference between the price paid and net carrying value of the US\$783 million SPCS redeemed.
- c. Increase in RPCS by P43,480 million was mainly attributable to the aforesaid issuance of the US\$800 million RPCS.

IV. CASH FLOW

SOURCES AND USES OF CASH

A brief summary of cash flow movements is shown below:

<i>(in Millions)</i>	June 30	
	2025	2024
Net cash flows provided by operating activities	P27,084	P37,608
Net cash flows provided by (used in) investing activities	33,220	(31,556)
Net cash flows used in financing activities	(41,152)	(19,638)

Net cash flows from operations basically consists of income for the period and changes in certain liabilities and others.

Net cash flows provided by (used in) investing activities are as follows:

<i>(in Millions)</i>	June 30	
	2025	2024
Proceeds from redemption of preferred shares	P78,717	P -
Additions to intangible assets	(2)	(9)
Advances paid to suppliers and contractors	(1,582)	(348)
Additions to property, plant and equipment	(3,720)	(28,795)
Cash of deconsolidated subsidiaries	(5,678)	-
Additions to investments and advances, net	(8,733)	(1,915)
Increase in other noncurrent assets	(25,782)	(489)

Net cash flows used in financing activities are as follows:

<i>(in Millions)</i>	June 30	
	2025	2024
Proceeds from issuance of capital stock	P58,776	P -
Proceeds from short-term borrowings	58,000	69,080
Proceeds from long-term debts	20,534	12,000
Proceeds from the issuance of SPCS	5,750	-
Proceeds from the issuance of RPCS	-	43,480
Payments of share issuance costs	(8)	-
Payments for redemption of SPCS	(6,288)	(45,039)
Distributions paid to SPCS holders	(7,975)	(7,740)
Payments of lease liabilities	(8,089)	(10,333)
Payments of long-term debts	(18,323)	(27,006)
Distributions paid to RPCS holders	(18,759)	-
Payments for redemption of RPCS	(58,857)	-
Payments of short-term borrowings	(65,913)	(54,080)

The effect of exchange rate changes on cash and cash equivalents amounted to (P1,026 million) and P144 million on June 30, 2025 and 2024, respectively.

V. KEY PERFORMANCE INDICATORS

The following are the major performance measures that the Group uses. Analyses are employed by comparisons and measurements based on the financial data of the current period against the same period of previous year. Please refer to Item II “Financial Performance” and Item III “Financial Position” for the discussion of certain Key Performance Indicators.

LIQUIDITY RATIO

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

<i>(in Millions Peso)</i>	June 30, 2025	December 31, 2024
(A) Current Assets	237,891	249,639
(B) Current Liabilities	165,736	224,058
Current Ratio (A) / (B)	1.44	1.11

SOLVENCY RATIO

$$\text{Net Debt-to-Equity* Ratio} = \frac{\text{Net Debt}}{\text{Total Equity}}$$

Per relevant Loan Covenants of San Miguel Global Power

<i>(in Millions Peso)</i>	June 30, 2025	December 31, 2024
(A) Net Debt ⁽¹⁾	146,901	219,596
(B) Total Equity ⁽²⁾	378,893	354,566
Net Debt-to-Equity Ratio (A) / (B)	0.39	0.62

**All items are net of amounts attributable to ring-fenced subsidiaries*

⁽¹⁾ Consolidated net total debt plus total PSALM lease liabilities.

⁽²⁾ Consolidated total equity.

Asset-to-Equity Ratio	= $\frac{\text{Total Assets}}{\text{Total Equity}}$			
	<i>Conventional</i>		<i>Adjusted</i> ⁽³⁾	
(in Millions Peso)	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
(A) Total Assets ⁽³⁾	833,274	881,873	805,335	853,432
(B) Total Equity	388,520	359,025	388,520	359,025
Asset-to-Equity Ratio (A) / (B)	2.14	2.46	2.07	2.38

⁽³⁾ Net carrying amount of the IPPA power plant, in relation to the IPPA Agreement of SRHI with PSALM, was omitted in total assets as this power plant asset was capitalized with corresponding lease liabilities. As at June 30, 2025 and December 31, 2024, the carrying amount of the IPPA power plant asset amounted to P27,939 million and P28,441 million, respectively.

PROFITABILITY RATIO

Return on Equity	= $\frac{\text{Net Income}}{\text{Total Equity}}$	
(in Millions Peso)	June 30, 2025	December 31, 2024
(A) Net Income ⁽⁴⁾	39,518	12,384
(B) Total Equity	388,520	359,025
Return on Equity (A) / (B)	10.2%	3.4%

⁽⁴⁾ Annualized for quarterly reporting.

		Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)
Interest Coverage Ratio	=	-----
		Interest Expense
<i>Per relevant Loan Covenants of San Miguel Global Power</i>		
<i>(in Millions Peso)</i>	June 30, 2025	December 31, 2024
(A) EBITDA ⁽⁵⁾	38,261	37,897
(B) Interest Expense ⁽⁶⁾	14,389	14,761
Interest Coverage Ratio (A) / (B)	2.66	2.57

⁽⁵⁾ Most recent four quarterly period consolidated EBITDA (gross of PSALM payments and excluding amounts attributable to ring-fenced subsidiaries).

⁽⁶⁾ Most recent four quarterly period consolidated interest expense (excluding amounts attributable to ring-fenced subsidiaries).

OPERATING EFFICIENCY

$$\text{Volume Growth (Decline)} = \frac{\text{Current Period Offtake Volume}}{\text{Prior Period Offtake Volume}} - 1$$

	Periods Ended June 30	
	2025	2024
<i>(in GWh)</i>		
(A) Current Period Offtake Volume	14,773	17,457
(B) Prior Period Offtake Volume	17,457	10,685
Volume Growth (Decline) [(A / B) – 1]	(15.4%)	63.4%

$$\text{Revenue Growth (Decline)} = \frac{\text{Current Period Revenue}}{\text{Prior Period Revenue}} - 1$$

	Periods Ended June 30	
	2025	2024
<i>(in Millions Peso)</i>		
(A) Current Period Revenue	80,147	98,944
(B) Prior Period Revenue	98,944	84,770
Revenue Growth (Decline) [(A / B) – 1]	(19.0%)	16.7%

$$\text{Operating Margin} = \frac{\text{Income from Operations}}{\text{Revenues}}$$

	Periods Ended June 30	
	2025	2024
<i>(in Millions Peso)</i>		
(A) Income from Operations	22,120	22,988
(B) Revenues	80,147	98,944
Operating Margin (A) / (B)	27.6%	23.2%

VI. OTHER MATTERS

a. Commitments

The outstanding purchase commitments of the Group amounted to P71,323 million and P109,085 million as at June 30, 2025 and December 31, 2024, respectively.

The Group's material commitments for capital expenditure consist mainly of construction of power plants, mostly utilizing high efficiency low emission technologies, in line with the Group's expansion projects, and acquisition, upgrade or repair of fixed assets needed for normal operations of the business. These will be funded by available cash and proceeds from short-term loans, long-term debt and issued capital securities.

- b. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity. The Group does not anticipate within the next 12 months any cash flow or liquidity problems. The Group was not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring payments. There were no significant amounts of the Group's trade payables that have not been paid within the stated trade terms.
- c. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favorable or unfavorable impact on net sales or revenues or income from continuing operation, except those stated in Item II, discussion of Financial Performance.
- d. There were no known events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation and there were no changes in the contingent liabilities and contingent assets since the last annual reporting date. No material contingencies and any other events or transactions exist that are material to an understanding of the current interim period.
- e. There are no significant elements of income or loss that did not arise from continuing operations.
- f. The effects of seasonality or cyclicity on the interim operations of the Group's businesses are not material.
- g. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationship of the Group with unconsolidated entities or other persons created during the reporting period.