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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

Contact Person

(02) 5317-1000

Company Telephone Number

1	2
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Month
Fiscal Year

3	1
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Day
Fiscal Year

SEC Form 17-Q (3rd Quarter - 30 September 2025)
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FORM TYPE

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Month
Annual Meeting

1 st Tues

Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

S T A M P S

Remarks = Pls. Use black ink for scanning purposes

**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 **September 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 September 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 L-M Fixed Rate Bonds issued in July 2022	35,000,000
Total	P50,288,430

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

Common Shares	4,785,493,800
Consolidated Total Liabilities (in Thousands)	P460,567,898

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 September 30, 2025 (with comparative figures as of December 31, 2024 and for the period ended September 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 November 14, 2025

Signature and Title 
RAMON U. AGAY
Comptroller/ Authorized Signatory

Date November 14, 2025

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 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	P104,016,684	P67,867,411
Trade and other receivables - net	8, 15, 21, 22	108,905,086	115,884,031
Inventories	9, 15	11,728,641	14,326,383
Prepaid expenses and other current assets	15, 21, 22	37,670,020	51,561,324
Total Current Assets		262,320,431	249,639,149
Noncurrent Assets			
Investments and advances - net	10	107,451,889	19,895,587
Property, plant and equipment - net	11	371,385,610	459,505,829
Right-of-use assets - net	6	38,520,796	42,123,333
Goodwill and other intangible assets - net		70,218,763	71,736,078
Deferred income tax assets		1,384,957	1,353,752
Other noncurrent assets	15, 21, 22	35,932,245	37,618,797
Total Noncurrent Assets		624,894,260	632,233,376
		P887,214,691	P881,872,525
LIABILITIES AND EQUITY			
Current Liabilities			
Loans payable	12, 21, 22	P29,000,000	P41,350,425
Accounts payable and accrued expenses	13, 15, 21, 22	100,279,150	144,101,704
Lease liabilities - current portion	6, 15, 21, 22	5,359,125	10,048,624
Income tax payable		140,911	79,614
Current maturities of long-term debt - net of debt issue costs	14, 21, 22	41,138,197	28,477,307
Total Current Liabilities		175,917,383	224,057,674
Noncurrent Liabilities			
Long-term debt - net of current maturities and debt issue costs	14, 21, 22	245,978,852	249,460,584
Deferred income tax liabilities		17,353,714	23,978,387
Lease liabilities - net of current portion	6, 15, 21, 22	17,110,060	21,356,642
Other noncurrent liabilities	21, 22	4,207,889	3,994,059
Total Noncurrent Liabilities		284,650,515	298,789,672
Total Liabilities		460,567,898	522,847,346

Forward

	Note	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		168,965,532	151,194,865
Redeemable perpetual capital securities		88,679,795	145,979,113
Equity reserves	10	(557,302)	(16,384,899)
Retained earnings	10	58,872,575	26,387,315
		425,641,622	358,081,779
Non-controlling Interests		1,005,171	943,400
Total Equity		426,646,793	359,025,179
		P887,214,691	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 SEPTEMBER 30, 2025 AND 2024
(In Thousands, Except Per Share Data)

	<i>Note</i>	2025 (Unaudited)	2024 (Unaudited)	For the Quarter Ended	
				2025 (Unaudited)	2024 (Unaudited)
REVENUES	15, 17	P118,795,117	P153,591,557	P38,647,802	P54,647,362
COST OF POWER SOLD	15, 18	77,976,756	114,154,265	23,933,556	41,685,856
GROSS PROFIT		40,818,361	39,437,292	14,714,246	12,961,506
SELLING AND ADMINISTRATIVE EXPENSES	8, 11	5,984,020	5,956,567	1,999,998	2,468,870
INCOME FROM OPERATIONS		34,834,341	33,480,725	12,714,248	10,492,636
INTEREST EXPENSE AND OTHER FINANCING CHARGES	6, 12, 14, 15	(18,800,208)	(15,084,004)	(7,039,691)	(5,159,903)
INTEREST INCOME	7	2,736,508	653,460	1,060,133	217,714
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES - Net	10	6,677,356	235,530	2,326,327	54,740
OTHER INCOME (CHARGES) - Net	10, 19	21,179,058	(532,081)	(473,577)	3,243,888
INCOME BEFORE INCOME TAX		46,627,055	18,753,630	8,587,440	8,849,075
INCOME TAX EXPENSE		4,228,190	5,288,593	761,236	2,822,266
NET INCOME		P42,398,865	P13,465,037	P7,826,204	P6,026,809
Attributable to:					
Equity holders of the Parent Company		P42,336,654	P13,430,414	P7,795,900	P6,007,107
Non-controlling interests		62,211	34,623	30,304	19,702
		P42,398,865	P13,465,037	P7,826,204	P6,026,809
Earnings (Losses) Per Common Share Attributable to Equity Holders of the Parent Company					
Basic/Diluted	20	P5.60	(P1.80)	P0.31	(P0.11)

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 SEPTEMBER 30, 2025 AND 2024
(In Thousands)

		2025	2024	For the Quarter Ended	
	Note	(Unaudited)	(Unaudited)	2025 (Unaudited)	2024 (Unaudited)
NET INCOME		P42,398,865	P13,465,037	P7,826,204	P6,026,809
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified to profit or loss					
Net gain on financial assets at fair value through other comprehensive income		42,613,514	-	19,663,375	-
Income tax expense		(807,193)	-	(119,076)	-
Share in other comprehensive loss of associates - Net		-	(1,206)	-	(1,206)
	10	41,806,321	(1,206)	19,544,299	(1,206)
Item that may be reclassified to profit or loss					
Gain (loss) on exchange differences on translation of foreign operations		2,844	5,756	15,130	(21,191)
OTHER COMPREHENSIVE INCOME (LOSS) - Net of tax		41,809,165	4,550	19,559,429	(22,397)
TOTAL COMPREHENSIVE INCOME		P84,208,030	P13,469,587	P27,385,633	P6,004,412
Attributable to:					
Equity holders of the Parent Company		P84,145,819	P13,434,964	P27,355,329	P5,984,710
Non-controlling interests		62,211	34,623	30,304	19,702
		P84,208,030	P13,469,587	P27,385,633	P6,004,412

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 SEPTEMBER 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			
						Equity Reserves	Translation Reserves	Reserve for Retirement Plan				
									Total			
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		-	-	-	-	-	-	-	42,336,654	42,336,654	62,211	42,398,865
Other comprehensive income - net of tax	10	-	-	-	-	41,806,321	2,844	-	-	41,809,165	-	41,809,165
Total comprehensive income		-	-	-	-	41,806,321	2,844	-	42,336,654	84,145,819	62,211	84,208,030
Issuance of capital stock	16, 23	1,961,890	56,813,747	-	-	-	-	-	-	58,775,637	-	58,775,637
Issuance of senior perpetual capital securities, net of exchange offers	16, 23	-	-	23,397,767	-	(1,500,987)	-	-	-	21,896,780	-	21,896,780
Deconsolidation of subsidiaries	10	-	-	-	-	-	-	-	33,679	33,679	-	33,679
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)	(440)	(8,081)
Transfer of net gain on financial assets at fair value through other comprehensive income	10	-	-	-	-	(22,262,022)	-	-	22,262,022	-	-	-
Distributions to holders of:												
Senior perpetual capital securities	16	-	-	-	-	-	-	-	(12,096,613)	(12,096,613)	-	(12,096,613)
Redeemable perpetual capital securities	16	-	-	-	-	-	-	-	(20,042,841)	(20,042,841)	-	(20,042,841)
As at September 30, 2025 (Unaudited)		P4,785,494	P104,895,528	P168,965,532	P88,679,795	(P1,428,758)	P938,552	(P67,096)	P68,872,575	P425,641,622	P1,005,171	P426,646,793
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		-	-	-	-	-	-	-	13,430,414	13,430,414	34,623	13,465,037
Other comprehensive income (loss) - net of tax		-	-	-	-	-	5,756	(1,206)	-	4,550	-	4,550
Total comprehensive income (loss)		-	-	-	-	-	5,756	(1,206)	13,430,414	13,434,964	34,623	13,469,587
Issuance of redeemable perpetual capital securities	23	-	-	-	43,432,288	-	-	-	-	43,432,288	-	43,432,288
Issuance of senior perpetual capital securities, net of exchange and tender offers	23	-	-	16,387,195	-	(5,259,852)	-	-	-	11,127,343	-	11,127,343
Redemption of senior perpetual capital securities	23	-	-	(40,186,954)	-	(4,852,808)	-	-	-	(45,039,762)	-	(45,039,762)
Distributions to holders of:												
Redeemable perpetual capital securities	16	-	-	-	-	-	-	-	(1,249,765)	(1,249,765)	-	(1,249,765)
Senior perpetual capital securities	16	-	-	-	-	-	-	-	(10,319,894)	(10,319,894)	-	(10,319,894)
As at September 30, 2024 (Unaudited)		P2,823,604	P48,081,781	P137,967,950	P145,979,113	(P13,939,772)	P920,714	(P108,206)	P32,228,083	P353,953,267	P939,735	P354,893,002

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 SEPTEMBER 30, 2025 AND 2024
(In Thousands)


	<i>Note</i>	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		P46,627,055	P18,753,630
Adjustments for:			
Interest expense and other financing charges	6, 12, 14	18,800,208	15,084,004
Depreciation and amortization	11, 18	11,934,118	10,337,601
Retirement benefits costs		171,210	112,865
Impairment loss on trade receivables	8	-	770,419
Unrealized foreign exchange losses (gains) - net		(350,623)	735,458
Dividend income	10, 19	(501,427)	-
Interest income	7	(2,736,508)	(653,460)
Equity in net earnings of associates and joint ventures - net	10	(6,677,356)	(235,530)
Gain on fair valuation of investment	10, 19	(21,933,046)	-
Operating income before working capital changes		45,333,631	44,904,987
Decrease (increase) in:			
Trade and other receivables - net		12,605,852	2,873,668
Inventories		(1,996,633)	2,082,974
Prepaid expenses and other current assets		(8,176,992)	(5,534,376)
Increase (decrease) in:			
Accounts payable and accrued expenses		(2,171,135)	18,713,903
Other noncurrent liabilities		22,607	(775,621)
Cash generated from operations		45,617,330	62,265,535
Interest income received		2,594,912	1,004,835
Income taxes paid		(1,774,153)	(2,380,180)
Interest expense and other financing charges paid		(19,865,272)	(17,708,692)
Net cash flows provided by operating activities		26,572,817	43,181,498
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from redemption of preferred shares	10	78,717,390	-
Dividends received	10	501,427	-
Decrease (increase) in other noncurrent assets		(1,416)	3,319,671
Additions to intangible assets		(13,300)	(43,636)
Advances paid to suppliers and contractors		(2,365,657)	(591,660)
Cash of deconsolidated subsidiaries		(5,678,579)	-
Additions to property, plant and equipment	11	(17,507,027)	(26,932,064)
Additions to investments and advances - net	10	(20,190,671)	(2,693,181)
Net cash flows provided by (used in) investing activities		33,462,167	(26,940,870)


Forward

	Note	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	12, 23	P111,000,000	P100,804,000
Proceeds from issuance of capital stock	16, 23	58,775,637	-
Proceeds from long-term debts	14, 23	33,086,427	33,304,000
Proceeds from the issuance of senior perpetual capital securities, net of exchange and tender offers	16, 23	21,896,780	11,127,343
Proceeds from the issuance of redeemable perpetual capital securities	23	-	43,432,288
Payments of share issuance costs		(8,081)	-
Payments for redemption of senior perpetual capital securities	16, 23	(6,288,284)	(45,039,762)
Payments of lease liabilities	6, 23	(8,351,595)	(15,667,502)
Distributions paid to senior perpetual capital securities holders	16	(12,096,613)	(10,319,894)
Distributions paid to redeemable perpetual capital securities holders	16	(20,042,841)	(1,249,765)
Payments of long-term debts	14, 23	(25,437,936)	(40,367,296)
Payments for redemption of redeemable perpetual capital securities	16, 23	(58,856,693)	-
Payments of short-term borrowings	12, 23	(118,412,300)	(90,516,000)
Net cash flows used in financing activities		(24,735,499)	(14,492,588)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
		849,788	(59,902)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		36,149,273	1,688,138
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD			
		67,867,411	31,659,442
CASH AND CASH EQUIVALENTS AT END OF PERIOD			
	7	P104,016,684	P33,347,580

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.
AND SUBSIDIARIES
TRADE AND OTHER RECEIVABLES
SEPTEMBER 30, 2025
(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 Parent Company’s registered office address is located at No. 40 San Miguel Avenue, Wack-Wack Greenhills 1550, City of Mandaluyong, Second District, National Capital Region.

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 November 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
Financial assets at fair value through other comprehensive income (FVOCI)	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:

	<i>Note</i>	Percentage of Ownership	
		2025	2024
<i>Power Generation</i>			
Sual Power Inc. (SPI)		100	100
San Roque Hydropower Inc. (SRHI)		100	100
Lima 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)	<i>10</i>	51	100
South Premiere Power Corp. (SPPC)	<i>10</i>	33	100
Excellent Energy Resources Inc. (EERI)	<i>10</i>	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 September 30, 2025 and December 31, 2024.

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	For the Periods Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
Meralco	P39,048,056	P65,404,439
WESM	26,805,627	28,189,467

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 September 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	P85,159,800	P126,376,420	P32,692,136	P26,626,382	P943,181	P588,755	P -	P -	P118,795,117	P153,591,557
Inter-segment	14,963,417	14,154,087	24,330	-	1,481,498	1,445,187	(16,469,245)	(15,599,274)	-	-
	100,123,217	140,530,507	32,716,466	26,626,382	2,424,679	2,033,942	(16,469,245)	(15,599,274)	118,795,117	153,591,557
Costs and Expenses										
Cost of power sold	73,444,528	109,579,441	18,285,344	18,370,109	2,099,964	1,068,092	(15,853,080)	(14,863,377)	77,976,756	114,154,265
Selling and administrative expenses	5,097,606	4,637,616	1,585,444	1,233,145	485,587	1,370,464	(1,184,617)	(1,284,658)	5,984,020	5,956,567
	78,542,134	114,217,057	19,870,788	19,603,254	2,585,551	2,438,556	(17,037,697)	(16,148,035)	83,960,776	120,110,832
Segment Result	P21,581,083	P26,313,450	P12,845,678	P7,023,128	(P160,872)	(P404,614)	P568,452	P548,761	P34,834,341	P33,480,725
Interest expense and other financing charges									(18,800,208)	(15,084,004)
Interest income									2,736,508	653,460
Equity in net earnings of associates and joint ventures - net									6,677,356	235,530
Other income (charges) - net									21,179,058	(532,081)
Income tax expense									(4,228,190)	(5,288,593)
Consolidated Net Income									P42,398,865	P13,465,037

	As at and For the Periods Ended									
	Power Generation		Retail and Other Power-related Services		Others		Eliminations		Consolidated	
	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Other Information										
Segment assets	P544,574,095	P716,667,127	P97,331,712	P82,193,061	P297,708,620	P259,941,743	(P231,455,345)	(P269,914,823)	P708,159,082	P788,887,108
Investments and advances - net	7,561,262	7,251,335	264,495	256,211	344,148,948	284,502,022	(244,522,816)	(272,113,981)	107,451,889	19,895,587
Goodwill and other intangible assets - net									70,218,763	71,736,078
Deferred income tax assets									1,384,957	1,353,752
Consolidated Total Assets									P887,214,691	P881,872,525
Segment liabilities	P319,204,342	P409,354,613	P36,540,023	P31,680,751	P60,028,532	P83,456,792	(P259,816,673)	(P303,640,702)	P155,956,224	P220,851,454
Long-term debt - net									287,117,049	277,937,891
Income tax payable									140,911	79,614
Deferred income tax liabilities									17,353,714	23,978,387
Consolidated Total Liabilities									P460,567,898	P522,847,346
Capital expenditures	P16,522,540	P47,246,555	P2,941,886	P11,341,437	P58,963	P119,262	(P59,256)	(P5,370,685)	P19,464,133	P53,336,569
Coal, fuel oil and other consumables	36,062,241	92,265,094	5,870,957	9,498,823	-	5	-	-	41,933,198	101,763,922
Power purchases	24,977,137	45,622,234	8,157,080	10,639,701	-	-	(14,962,509)	(26,597,361)	18,171,708	29,664,574
Depreciation and amortization of property, plant and equipment, right-of-use assets and intangible assets	8,949,018	10,803,126	2,617,448	3,166,256	196,718	243,229	170,934	(39,743)	11,934,118	14,172,868
Noncash items other than depreciation and amortization	(27,846,282)	5,475,625	87,063	(133,165)	(1,030,596)	(162,631)	-	-	(28,789,815)	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) and retirement benefits costs.

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.

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, 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.

Pursuant to the IPPA Agreements, SRHI has to pay PSALM monthly payments for 18 years until April 26, 2028 and SPI for 15 years until October 1, 2024. Energy fees amounted to P1,207,332 and P969,072 for the periods ended September 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.

The IPPA Agreements with PSALM provide the Group with a 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. In accounting for the Group's IPPA Agreements, the Group's management has made a judgment that the IPPA Agreements are agreements that contain a lease and that it has substantially acquired all the risks and rewards incidental to the ownership of the power plants. Accordingly, the Group accounted for the agreements as finance lease and recognized the power plants and finance lease liabilities at the present value of the agreed monthly payments to PSALM.

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 P613,770 and P1,109,699 for the periods ended September 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 P27,687,867 and P28,440,709 as at September 30, 2025 and December 31, 2024, respectively.

Land Lease Agreement with PSALM

On October 25, 2024, SPI entered into a long-term lease agreement with PSALM covering certain parcels of land with an aggregate area of 2,887,329 square meters. The leased premises shall be used for the operation, management, expansion and maintenance of the Sual Power Plant. The lease term is for 25 years commencing in October 2024, upon expiration of the IPPA Agreement between SPI and PSALM, and is subject to renewal upon mutual agreement of both parties.

The total lease charges, covering the entire leased premises and whole duration of the lease term, was fully paid in advance by SPI in October 2024 and in March 2025 for P277,048 and P6,459,228, respectively.

SPI's land under lease agreement, presented under "Right-of-use assets - net" account in the consolidated statements of financial position, amounted to P6,736,276 and P6,604,359 as at September 30, 2025 and December 31, 2024, respectively.

The total cash outflows for IPPA lease agreement and land lease agreement with PSALM amounted to P9,628,110 and P16,576,020 for the periods ended September 30, 2025 and 2024, respectively.

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

Power Sales Agreements (PSAs)

On February 5, 2024, the PSA of MPGC with Meralco for the supply and delivery of 300 megawatts (MW) contract capacity was executed for a term of 15 years. This PSA was approved by the ERC on November 26, 2024, which was received on May 30, 2025. Thereafter, supply to Meralco commenced on June 2, 2025.

On March 20, 2024, LPI 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. Supply to Meralco commenced on September 17, 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. The PSA commenced on August 27, 2025.

7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	September 30, 2025	December 31, 2024
Note	(Unaudited)	(Audited)
Cash in banks and on hand	P51,392,453	P27,206,205
Short-term investments	52,624,231	40,661,206
21, 22	P104,016,684	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 P2,626,577 and P496,345 for the periods ended September 30, 2025 and 2024, respectively.

8. Trade and Other Receivables

Trade and other receivables consist of:

		September 30, 2025	December 31, 2024
	Note	(Unaudited)	(Audited)
Trade		P82,986,649	P101,798,812
Non-trade		11,129,041	11,504,874
Amounts owed by related parties	15	19,251,669	7,447,364
		113,367,359	120,751,050
Less allowance for impairment losses		4,462,273	4,867,019
	21, 22	P108,905,086	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:

		September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
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 period ended September 30, 2025. Impairment losses recognized in the consolidated statements of income under "Selling and administrative expenses" account amounted to P770,419 for the period ended September 30, 2024.

9. Inventories

Inventories consist of:

		September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
Coal		P5,904,754	P5,695,799
Materials and supplies		5,405,549	5,992,159
Fuel oil	15	194,967	817,604
Liquefied Natural Gas (LNG)		-	1,585,329
Other consumables		223,371	235,492
		P11,728,641	P14,326,383

There were no inventory write-downs to net realizable value as at September 30, 2025 and December 31, 2024. Inventories charged to cost of power sold amounted to P41,933,198 and P75,642,511 for the periods ended September 30, 2025 and 2024, respectively (see Note 18).

10. Investments and Advances

Investments and advances consist of:

		September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
Investments in shares of stock of associates and joint ventures		P64,406,882	P5,588,554
Financial assets at FVOCI	22	23,826,343	-
Advances for investment		19,218,664	14,307,033
		P107,451,889	P19,895,587

The following are the developments relating to the Group's investments in shares of stock of an associate and joint ventures:

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 stock of associates and joint ventures" under "Investment and advances - net" account in the consolidated statement of financial position as at September 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 September 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 stock of associates and joint ventures” under “Investment and advances - net” account in the consolidated statement of financial position as at September 30, 2025.

Subsequently, SPPC, EERI, and IPIEC redeemed and paid their respective redeemable preferred shares (RPS) issued to the Parent Company, at a redemption price totaling to P78,717,390. Consequently, the Parent Company recognized a net gain on investments in equity instruments amounting to P22,262,022, presented 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 September 30, 2025.

For the period ended September 30, 2025, the Group recognized share in net earnings of EERI, SPPC, IPIEC and LFC amounting to P6,061,815, presented under “Equity in net earnings of associates and joint ventures - net” account in the consolidated statement of income.

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 in 2027. The solar power plant to be owned by a wholly-owned 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.

LSI was incorporated in the Philippines and registered with the SEC on August 9, 2024 primarily to carry on the business of producing, generating and storing electricity and processing fuels alternatives for the power generation.

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.

Purchase of Common Shares of Meralco by the Parent Company

By virtue of a Deed of Absolute Sale of Shares which contained the terms and conditions mutually determined by and acceptable to both parties and conformably with the decision of the Court of Appeals, the Parent Company purchased on various dates through the PSE a total of 44,934,610 common shares of Meralco at P90.00 per share from Land Bank of the Philippines (LBP).

The Parent Company has elected to classify this investment as financial assets at FVOCI.

As at September 30, 2025, the Meralco shares were revalued at the fair market value of P530.00 per share and recognized a gain of P19,663,375, presented 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 September 30, 2025.

The Parent Company recognized dividend income amounting to P501,427, from its investment in Meralco shares, included as part of "Other income (charges) - net" account in the consolidated statement of income for the period ended September 30, 2025 (see Note 19).

The methods and assumptions used to estimate the fair value of investments in equity instruments are discussed in Note 22.

11. Property, Plant and Equipment

Property, plant and equipment consist of:

September 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		1,954,445	69,560	297,497	21,753	17,120,878	19,464,133
Deconsolidation of subsidiaries	10	(66,003,614)	(1,619,225)	(466,914)	(422,127)	(34,368,368)	(102,880,248)
Reclassifications		28,470,947	497,123	513,270	890,181	(28,923,311)	1,448,210
September 30, 2025 (Unaudited)		292,887,860	20,385,280	9,914,133	5,699,174	95,928,870	424,815,317
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		9,568,546	386,772	620,189	118,909	-	10,694,416
Deconsolidation of subsidiaries	10	(4,231,395)	(8,720)	(28,729)	(36,290)	-	(4,305,134)
Reclassifications		(233,542)	(270)	(1,972)	(1,184)	-	(236,968)
September 30, 2025 (Unaudited)		46,966,316	1,973,339	3,420,470	789,635	-	53,149,760
Accumulated Impairment Losses							
January 1, 2024 (Audited)		-	-	244,956	-	-	244,956
Impairment		-	-	34,991	-	-	34,991
December 31, 2024 (Audited) and September 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
September 30, 2025 (Unaudited)		P245,921,544	P18,411,941	P6,213,716	P4,909,539	P95,928,870	P371,385,610

September 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	2,036,631	1,132,637	247,014	32,823	43,198,488	46,647,593
Reclassifications	36,397,098	3,765,835	292,801	202,015	(34,394,151)	6,263,598
Currency translation adjustments	-	26	191	-	-	217
September 30, 2024 (Unaudited)	235,534,120	20,190,361	8,984,107	5,182,411	158,732,106	428,623,105
Accumulated Depreciation						
January 1, 2024 (Audited)	32,397,121	1,140,409	2,147,669	556,568	-	36,241,767
Depreciation	6,522,124	327,326	484,214	112,522	-	7,446,186
Reclassifications	-	-	23,300	-	-	23,300
Currency translation adjustments	-	26	191	-	-	217
September 30, 2024 (Unaudited)	38,919,245	1,467,761	2,655,374	669,090	-	43,711,470
Accumulated Impairment Losses						
January 1, 2024 (Audited)	-	-	209,965	-	-	209,965
Impairment	-	-	34,991	-	-	34,991
September 30, 2024 (Unaudited)	-	-	244,956	-	-	244,956
Carrying Amount						
September 30, 2024 (Unaudited)	P196,614,875	P18,722,600	P6,083,777	P4,513,321	P158,732,106	P384,666,679

- 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 and 20 MWh BESS.

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, 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 of property, plant and equipment are recognized in the consolidated statements of income as follows:

		For the Periods Ended September 30	
		2025	2024
	Note	(Unaudited)	(Unaudited)
Cost of power sold	18	P10,149,469	P7,001,456
Selling and administrative expenses		544,947	444,730
		P10,694,416	P7,446,186

- 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.
- e. The additions to property, plant and equipment in the consolidated statements of cash flows reflects the actual cash flow of the Group during the period. The difference against the total additions to property, plant and equipment disclosed in this note, represents noncash or unpaid portions.

As at September 30, 2025 and December 31, 2024, certain property, plant and equipment amounting to P283,384,827 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 P9,268,103 and P6,660,416 as at September 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	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Philippine Peso-denominated:			
Parent Company		P10,000,000	P28,736,000
SPI		19,000,000	-
SPPC		-	5,000,000
MPGC		-	383,800
		29,000,000	34,119,800
Foreign Currency-denominated:			
Parent Company		-	7,230,625
	21, 22	P29,000,000	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 5.50% to 6.50% and from 6.25% to 7.95% as at September 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 P991,728 and P1,167,015 for the periods ended September 30, 2025 and 2024, respectively.

13. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of:

		September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
Trade		P17,404,765	P28,244,901
Non-trade		51,588,515	80,682,106
Output VAT		14,594,460	17,541,261
Amounts owed to related parties	15	11,624,682	11,608,134
Accrued interest	6, 12, 14	2,080,587	2,005,377
Withholding and other accrued taxes		2,986,141	4,006,200
Derivative liabilities not designated as cash flow hedge		-	13,725
	21, 22	P100,279,150	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:

		September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
Bonds/Notes			
<i>Parent Company</i>			
Philippine Peso-denominated:			
Fixed interest rate of 6.7500%, 6.8750%, 7.0000 and 7.125% maturing in 2028, 2030, 2032 and 2035, respectively (a)		P10,096,590	P -
Fixed interest rate of 5.9077%, 7.1051% and 8.0288% matured in July 2025, and maturing in 2028 and 2032, respectively (b)		34,718,272	39,650,721
Fixed interest rate of 7.6000% maturing in April 2026		6,913,879	6,902,264
Fixed interest rate of 6.6250% maturing in December 2027		3,597,780	3,594,372
Fixed interest rate of 5.1792% maturing in July 2026		4,751,069	4,746,231
		60,077,590	54,893,588

Forward

		September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
Term Loans			
<i>Parent Company</i>			
Philippine Peso-denominated:			
Fixed interest rate with maturities up to 2029 (c)		P9,324,488	P9,684,184
Fixed interest rate, matured in May 2025 (d)		-	4,818,722
Fixed interest rate maturing in 2028		7,460,625	7,451,212
Foreign currency-denominated:			
Floating interest rate based on SOFR plus margin, maturing in 2028 (e)		8,574,674	-
Floating interest rate based on SOFR plus margin, matured in May 2025 (e) (f)		-	5,769,644
Floating interest rate based on SOFR plus margin, maturing in 2030 (g)		5,724,630	-
Floating interest rate based on SOFR plus margin, settled in February 2025 (h)		-	2,880,001
Floating interest rate based on Secured Overnight Financing Rate (SOFR) plus margin, maturing in 2026		17,419,100	17,248,607
Floating interest rate based on SOFR plus margin, maturing in 2027		17,162,862	16,953,726
Floating interest rate based on SOFR plus margin, maturing in 2027		17,262,497	17,084,579
<i>Subsidiaries</i>			
Philippine Peso-denominated:			
Fixed interest rate with maturities up to 2029 (i)		26,956,712	29,414,962
Fixed interest rate with maturities up to 2030 (j)		12,478,599	13,410,025
Fixed interest rate with maturities up to 2033 (k)		37,054,374	38,502,565
Fixed interest rate with maturities up to 2034 (l)		41,289,838	31,853,575
Floating rate based on Bloomberg Valuation (BVAL) plus margin, with maturities up to 2030 (m)		5,193,604	6,049,990
Foreign currency-denominated:			
Fixed interest rate with maturities up to 2030 (n)		15,903,419	16,494,080
Floating interest rate based on SOFR plus margin, with maturities up to 2030 (n)		5,234,037	5,428,431
		227,039,459	223,044,303
	21, 22	287,117,049	277,937,891
Less current maturities		41,138,197	28,477,307
		P245,978,852	P249,460,584

- a. On August 11, 2025, the Parent Company completed the issuance of Fixed Rate Notes with an aggregate principal amount of P10,200,000 (the "Notes") at the issue price of 100% of face value. The Notes were enrolled with the Philippine Dealing & Exchange Corp. (PDEX) on the same day for trading. The proceeds were used to refinance existing obligations of the Parent Company and for general corporate purposes.

Details of the Notes are as follows:

Principal	Term	Interest Rate Per Annum
P1,625,000	3 years, due 2028	6.750%
3,438,000	5 years, due 2030	6.875%
433,000	7 years, due 2032	7.000%
4,704,000	10 years, due 2035	7.125%

The Notes were offered and sold to eligible investors pursuant to Section 10.1 (L) of the Securities Regulation Code (SRC) and Rules 10.1.3 and 10.1.11 of the 2015 Implementing Rules and Regulations of the SRC. Hence, the offer and sale of the Notes qualified as exempt transactions for which no confirmation of exemption from the registration requirements of the SRC were required to be filed with the Philippine SEC.

- b. On July 28, 2025, the Parent Company redeemed its Series K Bonds, amounting to P5,000,000, upon its maturity, pursuant to the terms and conditions of the bonds. The Series K Bonds formed part of the P40,000,000 Series K-L-M fixed rate bonds issued in July 2022.

The Parent Company used in part the proceeds of the short-term loan availed and cash generated from operations for the redemption.

- c. In 2025, the Parent Company made partial payments amounting to P375,000 of its P10,000,000 term loan, pursuant to the terms and conditions of its facility agreement executed in July 2024 with a local bank.
- d. 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.
- e. The amount represents the US\$100,000 (equivalent to P5,451,732, 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 loan proceeds were used to refinance the US\$100,000 term loan that matured in May 2025.

On July 3, 2025, the Parent Company availed of an additional US\$50,000 (equivalent to P2,755,694, net of transaction costs) from the aforesaid credit facility. The proceeds from the additional loan are intended for general corporate purposes and transaction-related fees, costs, and expenses in relation to the facility.

- f. On May 19, 2025, the Parent Company fully paid the US\$100,000 (equivalent to P5,567,000), 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.
- g. The amount represents the US\$100,000 (equivalent to P5,465,688, 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 were used for general corporate purposes, including advances for capital expenditures, and payment of transaction-related fees, costs, expenses in relation to the facility.

- h. On February 10, 2025, the Parent Company fully paid the US\$50,000 (equivalent to P2,904,750) 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.
- i. In 2025, LPI made partial payments amounting to P2,508,500 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.
- j. In 2025, MPI made partial payments amounting to P972,558 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 P1,885,376 and P2,031,488 as at September 30, 2025 and December 31, 2024, respectively (see Note 15).

- k. In 2025, SMGP BESS made partial payments amounting to P1,500,000 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 P5,437,500 and P5,655,000 as at September 30, 2025 and December 31, 2024, respectively (see Note 15).

- l. 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 September 30, 2025 and December 31, 2024 (see Note 15).

- m. In 2025, MPCL made principal repayments amounting to P873,400 pursuant to the terms and conditions of its Amended Omnibus Refinancing Agreement (ORA).

The loan includes the P3,160,210 and P3,686,912 amount payable to BOC as at September 30, 2025 and December 31, 2024, respectively (see Note 15).

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

On October 29, 2025, MPCL made additional principal repayment of its OEFA loans amounting US\$17,062.

Unamortized debt issue costs amounted to P2,807,534 and P3,069,044 as at September 30, 2025 and December 31, 2024, respectively. Accrued interest amounted to P1,997,136 and P1,905,165 as at September 30, 2025 and December 31, 2024, respectively. Interest expense amounted to P15,054,375 and P12,020,602 for the periods ended September 30, 2025 and 2024, respectively.

Valuation Technique for Peso-denominated Bonds and Notes

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

The fair value of the Bonds and Notes, amounting to P61,966,818 and P57,219,517 as at September 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 September 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:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	P3,069,044	P2,684,515
Additions	460,073	1,250,648
Capitalized amount	(240,848)	(467,613)
Amortization	(480,735)	(398,506)
Balance at end of period	P2,807,534	P3,069,044

Repayment Schedule

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

Year	Gross Amount			Debt Issue Costs	Net
	US Dollar	Peso Equivalent of US Dollar	Peso		
October 1, 2025 to September 30, 2026	US\$334,125	P19,444,739	P22,157,938	P464,480	P41,138,197
October 1, 2026 to September 30, 2027	635,700	36,995,197	17,219,153	812,102	53,402,248
October 1, 2027 to September 30, 2028	187,275	10,898,656	56,203,673	657,085	66,445,244
October 1, 2028 to September 30, 2029	39,060	2,273,136	30,759,278	239,453	32,792,961
October 1, 2029 to September 30, 2030	140,845	8,196,615	22,623,825	281,216	30,539,224
October 1, 2030 and thereafter	178,868	10,409,373	52,743,000	353,198	62,799,175
	US\$1,515,873	P88,217,716	P201,706,867	P2,807,534	P287,117,049

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 September 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	P337,979	P3,462,920	P85,115	P8,075,556	On demand or 30 days;	Unsecured;
	2024	546,201	4,388,136	51,985	6,849,349	non-interest-bearing	no impairment
Entities under Common Control	2025	6,408,034	3,228,960	1,862,156	10,172,552	On demand or 30 days;	Unsecured;
	2024	7,941,539	4,606,848	1,810,683	11,503,950	non-interest-bearing	no impairment
	2025	-	-	7,209,751	-	Installment basis up to 2026;	Unsecured;
	2024	-	-	8,645,305	-	interest-bearing	no impairment
Associates	2025	2,779,707	-	11,325,049	28,111	On demand or 30 days;	Unsecured;
	2024	1,298,826	-	663,448	28,101	non-interest-bearing	no impairment
	2025	-	-	-	-	9 years;	Unsecured;
	2024	1,608	-	2,129	-	interest-bearing	no impairment
Joint Venture	2025	132,629	2,174,713	138,179	488,517	30 days;	Unsecured;
	2024	33,598	1,028,812	5,011	427,591	non-interest-bearing	no impairment
	2025	4,455	-	174,076	-	92 days and 1 year;	Unsecured;
	2024	5,990	-	180,732	-	interest-bearing	no impairment
	2025	44,724	-	155,919	-	10.5 years;	Unsecured;
	2024	74,927	-	1,564,475	-	interest-bearing	no impairment
Associate and Joint Ventures of Entities under Common Control	2025	-	-	481	1,157	30 days;	Unsecured;
	2024	-	-	481	1,157	non-interest-bearing	no impairment
	2025	-	803,095	-	18,112,350	7 to 12 years;	Secured
	2024	-	952,088	-	19,014,637	interest-bearing	
	2025	P9,707,528	P9,669,688	P20,950,726	P36,878,243		
	2024	P9,902,689	P10,975,884	P12,924,249	P37,824,785		

- a. 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).
- b. 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 September 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 P7,066,289 and P7,066,765, respectively. The interest expense incurred on these lease liabilities amounted to P720,210 and P109,592 for the periods ended September 30, 2025 and 2024, 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 P17,983,086 and P18,873,400, presented as part of “Long-term debt” account in the consolidated statements of financial position as at September 30, 2025 and December 31, 2024, respectively (see Note 14). These loans are secured by certain property, plant and equipment (see Note 11). The interest expense incurred on the loans amounted to P803,095 and P952,088 for the periods ended September 30, 2025 and 2024, respectively.
- f. The compensation of key management personnel of the Group, by benefit type, are as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Short-term employee benefits	P156,545	P133,074
Retirement benefits costs	9,995	9,076
	P166,540	P142,150

There were no known transactions with parties that fall outside the definition of “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 September 30, 2025 and December 31, 2024 are as follows.

	September 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 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 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 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 amounting to P88,243), 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.

On July 24, 2025, the Parent Company completed the issuance of US\$400,000 SPCS, equivalent to P22,333,675, net of directly attributable transaction costs amounting to P326,325), at an issue price of 100%, with an initial rate of distribution of 8.95% per annum.

The US\$400,000 SPCS consists of the following:

- (i) US\$223,191 (equivalent to P12,461,688, net of directly attributable transaction costs amounting to P182,082) in aggregate principal amount of SPCS (the "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"), with a carrying value equivalent to P11,142,783; and
- (ii) US\$176,809 (equivalent to P9,871,987, net of directly attributable transaction costs amounting to P144,243) in aggregate principal amount of new securities (the "Additional New Securities").

The net proceeds from the issuance of the Additional New Securities will be applied to the following: (i) costs and expenses related to the Exchange Offers, including payment of accrued distribution amounts in respect of the Existing Securities accepted for exchange pursuant and subject to, the terms and conditions of the 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 Exchange Offers; and (iv) for pre-development costs of solar and hydropower energy projects, and capital expenditures related to BESS projects.

As a result of the foregoing exchange, the movements in the Existing Securities are as follows:

Title of Existing Securities	Principal of Existing Securities	Accepted Exchange Offers	Remaining Principal of Existing Securities	Amount in Philippine Peso*
7.00% SPCS issued on October 21 and December 15, 2020	US\$193,392	(US\$30,277)	US\$163,115	P8,170,848
5.70% SPCS issued on January 21, 2020	493,337	(192,914)	300,423	15,106,572
	US\$686,729	(US\$223,191)	US\$463,538	P23,277,420

*Net of transaction costs.

The difference between the price and the net carrying value of the Existing Securities accepted pursuant to the Exchange Offers amounted to P1,500,987 and was recognized as part of the "Equity reserves" account in the consolidated statements of financial position.

The US\$400,000 SPCS was listed on the SGX-ST on July 25, 2025.

On August 11, 2025, the Parent Company completed the issuance of US\$115,000 SPCS (equivalent to P6,457,100, net of directly attributable transaction costs amounting to P102,500) at an issue price of 100% plus an amount corresponding to accrued distributions 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.

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 in January 2020, and (ii) for pre-development costs of solar and hydropower energy projects and capital expenditures related to BESS projects.

The US\$115,000 SPCS was listed on the SGX-ST on August 12, 2025.

The securities were offered to holders of Existing Securities pursuant to the Offers and were sold mainly offshore and to a limited number of qualified buyers in the Philippines. Hence, the Offers and sale of the Securities qualified as exempt transactions for which no confirmation of exemption from the registration requirements of the Securities Regulations Code were required to be filed with the Philippine SEC.

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 is equal to the principal amount of the SPCS. Any accrued but unpaid distributions up to (but excluding) the redemption date was also settled.

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 P12,096,613 and P10,319,894 (including the distributions paid relating to the offers and redeemed securities) to the SPCS holders for the period ended September 30, 2025 and 2024, respectively, as distributions in accordance with the terms and conditions of the relevant subscription agreements.

Redemption of Redeemable Perpetual Capital Securities (RPCS)

In April 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

The Parent Company paid distributions to RPCS holders, amounting to P20,042,841 (including distributions in arrears of P14,617,039) and P1,249,765 for the period ended September 30, 2025 and 2024, respectively, in accordance with the terms and conditions of the relevant subscription agreements.

17. Revenues

Revenues consist of:

		For the Periods Ended September 30	
		2025 (Unaudited)	2024 (Unaudited)
	Note		
Sale of power:			
Power generation and trading		P85,159,800	P126,376,420
Retail and other power-related services		32,692,136	26,626,382
Other services		943,181	588,755
	5, 15	P118,795,117	P153,591,557

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

18. Cost of Power Sold

Cost of power sold consists of:

		For the Periods Ended September 30	
		2025 (Unaudited)	2024 (Unaudited)
	Note		
Coal, fuel oil and other consumables	9, 15	P41,933,198	P75,642,511
Power purchases		18,171,708	22,869,560
Depreciation and amortization	11	10,935,021	9,735,814
Plant operations and maintenance, and other fees		5,729,497	4,937,308
Energy fees	6	1,207,332	969,072
	5	P77,976,756	P114,154,265

19. Other Income (Charges) - net

Other income (charges) consist of:

	<i>Note</i>	For the Periods Ended September 30	
		2025 (Unaudited)	2024 (Unaudited)
Gain on fair valuation of investment	10	P21,933,046	P -
Dividend income	10	501,427	-
Marked-to-market gains (losses) on derivatives	22	(55,685)	17,210
Foreign exchange losses - net	21	(1,364,018)	(1,000,736)
Miscellaneous income - net		164,288	451,445
		P21,179,058	(P532,081)

Miscellaneous income - net mainly pertains to insurance claims, gain on lease modification, terminal and service fees and sale of scrap.

20. Basic and Diluted Earnings (Losses) Per Share

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

	For the Periods Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
Net income attributable to equity holders of the Parent Company	P42,336,654	P13,430,414
Distributions for the period to:		
RPCS holders	(7,521,094)	(8,292,547)
SPCS holders	(12,305,556)	(10,226,737)
Net income (loss) attributable to common shareholders of the Parent Company (a)	22,510,004	(5,088,870)
Weighted average number of common shares issued and outstanding (in thousands) (b)	4,019,187	2,823,604
Basic/Diluted Earnings (Losses) Per Share (a/b)	P5.60	(P1.80)

As at September 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:

September 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	P104,016,684	P104,016,684	P104,016,684	P -	P -	P -
Trade and other receivables - net	102,520,337	102,520,337	102,520,337	-	-	-
Derivative assets not designated as cash flow hedge (included under "Prepaid expenses and other current assets" account)	38,730	38,730	38,730	-	-	-
Long-term receivables (including current portion)	10,949,379	10,949,379	6,380,982	4,104,808	-	463,589
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets" accounts)	17,487,842	17,487,842	12,412,202	3,373,706	1,701,924	10
Financial Liabilities						
Loans payable	29,000,000	29,161,389	29,161,389	-	-	-
Accounts payable and accrued expenses	82,413,696	82,413,696	82,413,696	-	-	-
Long-term debt - net (including current maturities)	287,117,049	366,060,280	62,214,382	72,307,164	159,842,108	71,696,626
Lease liabilities (including current portion)	22,469,185	25,703,365	6,191,050	6,700,370	5,035,455	7,776,490
Other noncurrent liabilities	570,075	570,075	-	227,427	239,039	103,609

*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:

		September 30, 2025	December 31, 2024
	Note	(Unaudited)	(Audited)
Cash and cash equivalents (excluding cash on hand)	7	P104,014,558	P67,864,985
Trade and other receivables - net*	8	102,520,337	110,776,695
Derivative assets not designated as cash flow hedge		38,730	-
Long-term receivables		10,949,379	14,140,044
Restricted cash		17,487,842	8,495,006
		P235,010,846	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.

September 30, 2025 (Unaudited)	Financial Assets at Amortized Cost			Financial Assets at FVPL	Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired		
Cash and cash equivalents (excluding cash on hand)	P104,014,558	P -	P -	P -	P104,014,558
Trade and other receivables	-	102,520,337	4,462,273	-	106,982,610
Derivative assets not designated as cash flow hedge	-	-	-	38,730	38,730
Long-term receivables	-	10,949,379	-	-	10,949,379
Restricted cash	17,487,842	-	-	-	17,487,842
	P121,502,400	P113,469,716	P4,462,273	P38,730	P239,473,119

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:

	September 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	P55,757,346	P5,312,368	P8,093,938	P69,163,652	P57,027,864	P4,845,403	P1,089,041	P62,962,308
Past due:								
1 - 30 days	1,891,739	14,998	119,790	2,026,527	12,002,438	45,266	365,300	12,413,004
31 - 60 days	628,474	19,725	26,372	674,571	2,030,425	15,809	81,464	2,127,698
61 - 90 days	628,652	7,771	43,567	679,990	1,042,048	9,942	13,071	1,065,061
Over 90 days	24,080,296	5,530,555	4,827,019	34,437,870	29,696,037	6,209,073	1,170,533	37,075,643
	P82,986,507	P10,885,417	P13,110,686	P106,982,610	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 43% of the Group's total revenues for the periods ended September 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:

September 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 Interest rate	P20,993,404 5.1792% to 8.6228%	P16,054,619 7.5758% to 8.6228%	P55,039,139 6.6250% to 8.6228%	P29,594,744 7.5758% to 8.6228%	P22,041,558 6.8750% to 8.5915%	P52,743,000 7.0000% to 8.2104%	P196,466,464
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	1,494,183 8.3310%	1,563,144 8.3310%	1,632,107 8.3310%	1,710,264 8.3310%	1,788,421 8.3310%	7,831,814 8.3310%	16,019,933
Floating Rate							
Philippine Peso-denominated Interest rate	1,164,534 BVAL + Margin	1,164,534 BVAL + Margin	1,164,534 BVAL + Margin	1,164,534 BVAL + Margin	582,267 BVAL + Margin	-	5,240,403
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	17,950,556 SOFR + Margin	35,432,053 SOFR + Margin	9,266,549 SOFR + Margin	562,872 SOFR + Margin	6,408,194 SOFR + Margin	2,577,559 SOFR + Margin	72,197,783
	P41,602,677	P54,214,350	P67,102,329	P33,032,414	P30,820,440	P63,152,373	P289,924,583

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 Interest rate	P17,004,744 5.0000% to 8.6228%	P22,339,154 5.1792% to 8.6228%	P18,370,097 6.6250% to 8.6228%	P48,394,411 7.1051% to 8.6228%	P26,400,744 7.5758% to 8.6228%	P59,538,372 7.5758% to 8.2443%	P192,047,522
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 Interest rate	1,164,534 BVAL + Margin	1,164,534 BVAL + Margin	1,164,534 BVAL + Margin	1,164,534 BVAL + Margin	1,164,534 BVAL + Margin	291,134 BVAL + Margin	6,113,804
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	9,155,013 SOFR + Margin	17,853,571 SOFR + Margin	35,229,629 SOFR + Margin	546,693 SOFR + Margin	572,260 SOFR + Margin	2,854,535 SOFR + Margin	66,211,701
	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 P580,786 and P723,255 for the period ended September 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:

		September 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Note	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
Assets					
Cash and cash equivalents	7	US\$1,023,854	P59,584,218	US\$168,440	P9,743,423
Trade and other receivables	8	196,967	11,462,669	198,748	11,496,606
Long-term receivables		34,399	2,001,887	33,855	1,958,324
		1,255,220	73,048,774	401,043	23,198,353
Liabilities					
Loans payable	12	-	-	125,000	7,230,625
Accounts payable and accrued expenses	13	1,130,685	65,801,317	1,288,607	74,539,484
Long-term debt (including current maturities)	14	1,515,873	88,217,716	1,432,200	82,845,609
Lease liabilities (including current portion)		141,480	8,233,543	277,111	16,029,502
		2,788,038	162,252,576	3,122,918	180,645,220
Net Foreign Currency-denominated Monetary Liabilities					
		US\$1,532,818	P89,203,802	US\$2,721,875	P157,446,867

The Group reported net losses on foreign exchange amounting to P1,364,018 and P1,000,736 for the periods ended September 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
September 30, 2025	P58.196
December 31, 2024	57.845
September 30, 2024	56.030
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):

September 30, 2025 (Unaudited)	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
Cash and cash equivalents	(P1,016,317)	(P769,775)	P1,016,317	P769,775
Trade and other receivables	(196,967)	(147,725)	196,967	147,725
Long-term receivables	(34,399)	(25,799)	34,399	25,799
	(1,247,683)	(943,299)	1,247,683	943,299
Accounts payable and accrued expenses	1,130,531	848,052	(1,130,531)	(848,052)
Long-term debt (including current maturities)	1,515,873	1,136,904	(1,515,873)	(1,136,904)
Lease liabilities (including current portion)	141,480	106,110	(141,480)	(106,110)
	2,787,884	2,091,066	(2,787,884)	(2,091,066)
	P1,540,201	P1,147,767	(P1,540,201)	(P1,147,767)

December 31, 2024 (Audited)	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
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:

	September 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	P104,016,684	P104,016,684	P67,867,411	P67,867,411
Trade and other receivables - net*	102,520,337	102,520,337	110,776,695	110,776,695
Derivative assets not designated as cash flow hedge (included under "Prepaid expenses and other current assets")	38,730	38,730	-	-
Financial assets at FVOCI (included under "Investments and advances" account)	23,826,343	23,826,343	-	-
Long-term receivables (including current portion)	10,949,379	10,949,379	14,140,044	14,140,044
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets" accounts)	17,487,842	17,487,842	8,495,006	8,495,006
	P258,839,315	258,839,315	P201,279,156	P201,279,156
Financial Liabilities				
Loans payable	P29,000,000	P29,000,000	P41,350,425	P41,350,425
Accounts payable and accrued expenses	82,413,696	82,413,696	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
Long-term debt - net (including current maturities)	287,117,049	303,824,184	277,937,891	295,112,421
Lease liabilities (including current portion)	22,469,185	22,469,185	31,405,266	31,405,266
Other noncurrent liabilities	570,075	570,075	502,869	502,869
	P421,570,005	P438,277,140	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.

Financial Assets at FVOCI. The fair values of publicly traded instruments and similar investments are based on quoted market prices in an active market.

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 4.68% to 8.50% and 5.65% to 6.16% as at September 30, 2025 and December 31, 2024, respectively. Discount rates used for foreign currency-denominated loans range from 3.89% to 4.32% and 4.20% to 5.99% as at September 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\$30,000 and US\$45,000 as at September 30, 2025 and December 31, 2024, respectively. As at September 30, 2025, the positive fair value of these currency forwards included under "Prepaid expenses and other current assets" account amounted to P38,730. On December 31, 2024, the negative fair value of these currency forwards included under "Accounts payable and accrued expenses" account amounted to P13,725 (see Note 13).

The Group recognized marked-to-market gains (losses) from freestanding derivatives amounting to (P55,685) and P17,210 for the periods ended September 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:

	September 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	(55,685)	104,350
	(69,410)	90,425
Less fair value of settled instruments	(108,140)	104,150
Balance at end of period	P38,730	(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 Decision 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 September 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 September 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 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 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 continued to file related petitions with the CA and later with the SC assailing the RTC Mandaluyong's order of denial. The SC denied the petition filed by PSALM in a resolution dated August 5, 2019, which became final and executory on the same date.

Despite the pendency of the proceedings, the Ilijan Power Plant was turned over by PSALM to SPPC pursuant to the Ilijan IPPA Agreement and the Deed of Sale executed between PSALM and SPPC on June 3, 2022.

Trial on the merits proceeded until the RTC Mandaluyong rendered a decision in favor of SPPC on June 13, 2025, which was received by SPPC on October 7, 2025. The decision stated that PSALM's termination of the Ilijan IPPA Agreement, drawing of the Performance Bond, and issuing the Cessation Notice were unauthorized and without factual and legal basis, ordered PSALM to among others return to SPPC the amount of the Performance Bond drawn by PSALM, with interests, and dismissed PSALM's counterclaim for lack of merit.

On October 22, 2025, PSALM filed a Motion for Reconsideration of the Decision. SPPC filed its Opposition to the Motion for Reconsideration on October 28, 2025.

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, 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.

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, SPPC received a copy of the CA's Resolution dated June 27, 2025, which among others, partially granted its motions and directed the ERC to act on its 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.

On September 2, 2025, SPPC received the Compliance filed by the ERC with the CA. In said Compliance, the ERC submitted its Order in ERC Case No. 2019-081 RC, promulgated on August 22, 2025, which granted SPPC's Motions for Issuance of Writ of Execution (Re: Court of Appeals Joint Decision dated June 27, 2023). The order allowed SPPC to recover from Meralco the price adjustments prayed for in its motions and authorized Meralco to collect the adjustments from its customers over a period of 6 months from the September 2025 customer billing period. As at report date, Meralco has remitted its payment of the price adjustments covering a 2-month period (September and October 2025) to the Parent Company.

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 2nd SPPC CIC Claim is set for clarificatory hearing before the ERC on November 18, 2025.

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.

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 its motions and directed the ERC to act on its 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.

On September 2, 2025, SPI received the Compliance filed by the ERC with the CA. In said Compliance, the ERC submitted its Order in ERC Case No. 2019-083 RC, promulgated on August 22, 2025, which granted SPI's Motions for Issuance of Writ of Execution (Re: Court of Appeals Joint Decision dated June 27, 2023). The order allowed SPI to recover from Meralco the price adjustments prayed for in its motions and authorized Meralco to collect the adjustments from its customers over a period of 6 months from the September 2025 customer billing period. As at report date, Meralco has remitted its payment of the price adjustments covering a 2-month period (September and October 2025) to SPI.

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 2nd SPI CIC Claim is set for clarificatory hearing before the ERC on November 18, 2025.

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 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. *Redemption of SPCS by the Parent Company*

On October 17, 2025, the Parent Company completed the redemption of its US\$163,115 remaining securities (with a net carrying value of P8,170,848), out of the US\$750,000 SPCS issued in October and December 2020, and settled the distributions related thereto amounting to US\$5,709, pursuant to the terms and conditions of the securities.

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

On various dates, the Parent Company made additional purchases totaling to 1,661,986 common shares of Meralco at P90.00 per share from LBP. With such purchases, a total of 46,596,596 shares of Meralco have been conveyed by LBP to the Parent Company by virtue of the Deed of Absolute Sale of Shares executed by the parties.

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	111,000,000	33,086,427	-	-	-	-	-	144,086,427
Proceeds from issuance of capital stock	-	-	-	1,961,890	56,813,747	-	-	58,775,637
Proceeds from issuance of SPCS	-	-	-	-	-	21,896,780	-	21,896,780
Payments for redemption of SPCS	-	-	-	-	-	(6,288,284)	-	(6,288,284)
Payments of lease liabilities	-	-	(8,351,595)	-	-	-	-	(8,351,595)
Payments for redemption of RPCS	-	-	-	-	-	-	(58,856,693)	(58,856,693)
Payments of borrowings	(118,412,300)	(25,437,936)	-	-	-	-	-	(143,850,236)
Total Changes from Financing Activities	(7,412,300)	7,648,491	(8,351,595)	1,961,890	56,813,747	15,608,496	(58,856,693)	7,412,036
Effect of changes in foreign exchange rates	61,875	809,084	(45,663)	-	-	-	-	825,296
Other changes	(5,000,000)	721,583	(538,823)	-	-	2,162,171	1,557,375	(1,097,694)
Balance as at September 30, 2025 (Unaudited)	P29,000,000	P287,117,049	P22,469,185	P4,785,494	P104,895,528	P168,965,532	P88,679,795	P705,912,583

	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	100,804,000	33,304,000	-	-	-	134,108,000
Proceeds from issuance of RPCS	-	-	-	-	43,432,288	43,432,288
Proceeds from issuance of SPCS, net of exchange and tender offers	-	-	-	11,127,343	-	11,127,343
Payments for redemption of SPCS	-	-	-	(45,039,762)	-	(45,039,762)
Payments of lease liabilities	-	-	(15,667,502)	-	-	(15,667,502)
Payments of borrowings	(90,516,000)	(40,367,296)	-	-	-	(130,883,296)
Total Changes from Financing Activities	10,288,000	(7,063,296)	(15,667,502)	(33,912,419)	43,432,288	(2,922,929)
Effect of Changes in Foreign Exchange Rates	-	726,028	381,922	-	-	1,107,950
Other Changes	-	459,927	(530,678)	10,112,660	-	10,041,909
Balance as at September 30, 2024 (Unaudited)	P24,024,000	P252,892,132	P26,971,042	P137,967,950	P145,979,113	P587,834,237

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 P69,220,165 and P109,084,701 as at September 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 September 30, 2025 and December 31, 2024 for liquidity, solvency and profitability ratios and for the periods ended September 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>	September 30, 2025	December 31, 2024
(A) Current Assets	262,320	249,639
(B) Current Liabilities	175,917	224,058
Current Ratio (A) / (B)	1.49	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>	September 30, 2025	December 31, 2024
(A) Net Debt ⁽¹⁾	136,446	219,596
(B) Total Equity ⁽²⁾	413,240	354,566
Net Debt-to-Equity Ratio (A) / (B)	0.33	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			
<i>(in Millions Peso)</i>	Conventional		Adjusted ⁽³⁾	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
(A) Total Assets	887,215	881,873	859,527	853,432
(B) Total Equity	426,647	359,025	426,647	359,025
Asset-to-Equity Ratio (A) / (B)	2.08	2.46	2.01	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 September 30, 2025 and December 31, 2024, the carrying amount of the IPPA power plant asset amounted to P27,688 million and P28,441 million, respectively.

PROFITABILITY RATIO

Return on Equity	Net Income	
	Total Equity	
<i>(in Millions Peso)</i>	September 30, 2025	December 31, 2024
(A) Net Income ⁽⁴⁾	41,317	12,384
(B) Total Equity	426,647	359,025
Return on Equity (A) / (B)	9.7%	3.4%

⁽⁴⁾ Annualized for quarterly reporting.

Interest Coverage Ratio	Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	
	Interest Expense	
<i>(in Millions Peso)</i>	September 30, 2025	December 31, 2024
(A) EBITDA ⁽⁵⁾	38,908	37,897
(B) Interest Expense ⁽⁶⁾	15,556	14,761
Interest Coverage Ratio (A) / (B)	2.50	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

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

<i>(in GWh)</i>	Periods Ended September 30	
	2025	2024
(A) Current Period Offtake Volume	22,090	27,043
(B) Prior Period Offtake Volume	27,043	17,237
Volume Growth (Decline) [(A / B) – 1]	(18.3%)	56.9%

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

<i>(in Millions Peso)</i>	Periods Ended September 30	
	2025	2024
(A) Current Period Revenue	118,795	153,592
(B) Prior Period Revenue	153,592	125,213
Revenue Growth (Decline) [(A / B) – 1]	(22.7%)	22.7%

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

<i>(in Millions Peso)</i>	Periods Ended September 30	
	2025	2024
(A) Income from Operations	34,834	33,481
(B) Revenues	118,795	153,592
Operating Margin (A) / (B)	29.3%	21.8%



**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”) and its subsidiaries (collectively referred to as the “Group”) as at and for the period ended September 30, 2025 (with comparative figures as at December 31, 2024 and for the period ended September 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 September 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 September 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 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.

Purchase of Common Shares of Meralco by San Miguel Global Power

By virtue of a Deed of Absolute Sale of Shares which contained the terms and conditions mutually determined by and acceptable to both parties and conformably with the decision of the Court of Appeals, San Miguel Global Power purchased on various dates through the PSE a total of 44,934,610 common shares of Meralco at P90.00 per share from Land Bank of the Philippines (LBP). As at September 30, 2025, the shares were revalued at the fair market value of P530.00 per share and recognized a gain of P19,663 million presented 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 September 30, 2025.

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

On June 27, 2023, the CA’s 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. 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.

On September 2, 2025, SPPC and SPI received the Compliance filed by the ERC with the CA. In said Compliance, the ERC submitted its Orders in ERC Cases Nos. 2019-081 RC and 2019-083 RC, both promulgated on August 22, 2025, which granted SPPC’s and SPI’s Motions for Issuance of Writ of Execution (Re: CA Joint Decision dated June 27, 2023). The orders allowed SPPC and SPI to recover from Meralco the price adjustments prayed for in their motions and authorized Meralco to collect the adjustments from its customers over a period of 6 months from the September 2025 customer billing period. As at report date, Meralco has remitted its payment of the price adjustments covering a 2-month period (September and October 2025) to SPI and San Miguel Global Power.

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 2nd CIC Claims of SPPC and SPI are set for clarificatory hearing before the ERC on November 18, 2025.

On January 15, 2025, SPPC and San Miguel Global Power executed an agreement wherein SPPC assigned in favor of San Miguel Global Power all 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 were 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.

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.

Issuance of P10,200 Million Fixed Rate Notes by San Miguel Global Power

On August 11, 2025, San Miguel Global Power completed the issuance of Fixed Rate Notes with an aggregate principal amount of P10,200 million (the "Notes") at the issue price of 100% of face value. The Notes were enrolled with the Philippine Dealing & Exchange Corp. on the same day for trading. The proceeds were used to refinance existing obligations of San Miguel Global Power and for general corporate purposes.

Details of the Notes are as follows:

Principal	Term	Interest Rate Per Annum
P1,625 million	3 years, due 2028	6.750%
3,438 million	5 years, due 2030	6.875%
433 million	7 years, due 2032	7.000%
4,704 million	10 years, due 2035	7.125%

Redemption of Series K Bonds

On July 28, 2025, San Miguel Global Power redeemed its Series K Bonds, amounting to P5,000 million, upon its maturity, pursuant to the terms and conditions of the bonds. The Series K Bonds formed part of the P40,000 million Series K-L-M fixed rate bonds issued in July 2022. San Miguel Global Power used in part the proceeds of the short-term loan availed and cash generated from operations for the redemption.

Payments of Maturing Term Loans

In the first three quarters 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 P7,141 million of their scheduled long-term debt principal amortizations pursuant to the terms and conditions of their respective facility agreements. The payments were funded by cash generated from operations.

On February 10, 2025, San Miguel Global Power fully settled its US\$50 million term loan drawn in October 2023 from a foreign bank. The payment was funded by cash generated from operations.

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. The loan was paid using in part the proceeds of a short-term borrowing availed and cash generated from operations.

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

- 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.

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

- On July 24, 2025, San Miguel Global Power completed the issuance of US\$400 million SPCS, at an issue price of 100%, with an initial rate of distribution of 8.95% per annum. The US\$400 million SPCS consists of US\$223 million in aggregate principal amount of SPCS (the "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 net proceeds from the issuance of the Additional New Securities will be applied to the following: (i) costs and expenses related to the Exchange Offers, including payment of accrued distribution amount in respect of the Existing Securities accepted for exchange pursuant and subject to the terms and conditions of the 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 Exchange Offers; and (iv) for pre-development costs of solar and hydropower energy projects, and capital expenditures related to BESS projects.

The US\$400 million SPCS was listed on the SGX-ST on July 25, 2025.

- On August 11, 2025, San Miguel Global Power completed the issuance of 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.

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 in January 2020, and (ii) for pre-development costs of solar and hydropower energy projects and capital expenditures related to BESS projects.

The US\$115,000 SPCS was listed on the SGX-ST on August 12, 2025.

Redemption of Redeemable Perpetual Capital Securities (RPCS)

In April 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

- Redemption of SPCS by San Miguel Global Power
On October 17, 2025, San Miguel Global Power completed the redemption of its US\$163 million remaining SCPS out of the US\$750 million SPCS issued in October and December 2020, and settled the distributions related thereto amounting to US\$5,709, pursuant to the terms and conditions of the securities.
- Additional Purchase of Common Shares of Meralco by San Miguel Global Power
On various dates, San Miguel Global Power made additional purchases totaling to 1,661,986 common shares of Meralco at P90.00 per share from LBP. With such purchases, a total of 46,596,596 shares of Meralco have been conveyed by LBP to the Parent Company by virtue of the Deed of Absolute Sale of Shares executed by the parties.

II. FINANCIAL PERFORMANCE

2025 vs. 2024

	For the Periods Ended September 30		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
<i>In Millions</i>	2025	2024	Amount	%	2025	2024
Revenues	P118,795	P153,592	(P34,797)	(23%)	100%	100%
Cost of power sold	77,977	114,154	(36,177)	(32%)	66%	74%
Gross profit	40,818	39,438	1,380	3%	34%	26%
Selling and administrative expenses	5,984	5,957	27	0%	5%	4%
Income from operations	34,834	33,481	1,353	4%	29%	22%
Interest expense and other financing charges	(18,800)	(15,084)	3,716	25%	(16%)	(10%)
Interest income	2,737	653	2,084	319%	2%	0%
Equity in net earnings of associates and joint ventures - net	6,677	236	6,441	2,729%	6%	0%
Other income (charges) - net	21,179	(532)	21,711	4,081%	18%	0%
Income before income tax	46,627	18,754	27,873	149%	39%	12%
Income tax expense	4,228	5,289	(1,061)	(20%)	3%	3%
Net income	P42,399	P13,465	P28,934	215%	36%	9%

Revenues

The Group's consolidated revenues for the first three quarters of 2025 amounted to P118,795 million, lower by 23% from the P153,592 million recognized in the same period last year. The decline was due primarily to the aforementioned dilution of its equity interest in 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 22% with GC Newcastle prices declining from an average of US\$134 per metric ton (MT) for the first nine months of 2024 to US\$104/MT for the same period this year. These were compensated by the revenue contributions from the following: (a) the full nine-month operations of the 4 generation units of the 600 MW Mariveles Greenfield Power Plant and the 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 began commercial operations in the first half of 2025; and (c) Units 1 and 2 of EERI's BCCPP (with a net capacity of 425 MW each), which is 33% owned by the Group following the aforesaid dilution, that were declared operational on December 26, 2024 and January 7, 2025, respectively.

Costs of Power Sold

Costs of power sold decreased to P77,977 million for the first three quarters of 2025, which is 32% lower than the P114,154 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 P32,122 million; and (ii) lower generation costs, as global coal prices averaged at US\$104/MT during the period – down from the US\$134/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 nine-month operations of all units of the Mariveles Greenfield Power Plant, incremental depreciation expense from the additional 8 BESS facilities, and the one-month operation of EERI's BCCPP prior to its deconsolidation.

Income from Operations

Consolidated income from operations of P34,834 million for the first three quarters of 2025 increased by 4% from the same period last year. The increase was mainly driven by: (i) improved margins from contracted capacities with fuel passthrough arrangements for most of its bilateral customers, including PSAs with Meralco, (ii) additional contributions from BESS facilities - through sales in the reserves market and ancillary services rendered for NGCP, and partially offset by (iii) the deconsolidation of the Ilijan Power Plant.

Such consolidated income from operations does not include the share in the net earnings of SPPC and EERI amounting to P5,862 million to date, which the Group continue to recognize from its remaining 33% interests in these gas power generation assets as part of its portfolio even with the aforesaid deconsolidation.

Interest Expense and Other Financing Charges

Interest expense and other financing charges went up by 25% to P18,800 million for the first three quarters of 2025. This was mainly due 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 the Power Sector Assets and Liabilities Management Corporation (PSALM), with only the Independent Power Producer Administrator (IPPA) Agreement of San Roque Hydropower Inc. (SRHI) outstanding, in view of the full settlement of the finance lease liabilities arising from the Sual IPPA Agreement in October 2024.

Interest Income

Interest income amounted to P2,737 million for the first three quarters 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 P6,677 million in the first three quarters of 2025 from the P236 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 P21,179 million for the first three quarters of 2025, a significant turnaround from the P532 million other charges-net registered for the same period last year. This surge was primarily driven by the revaluation gain of P21,933 million recognized from the dilution of equity interests in SPPC, EERI and IPIEC following the completion of the Chromite Transaction, partly offset by the increase in foreign exchange losses recognized mainly on the revaluation of the Group's US Dollar-denominated net monetary liabilities due to the continued depreciation of the Philippine Peso against the US Dollar in 2025.

Income Tax Expense

Provision for income tax amounted to P4,228 million for the first three quarters of 2025, lower by 20% from the same period last years due to the recognition of higher deferred tax benefits on unrealized foreign exchange losses for the period.

Net Income

Consequently, the consolidated net income of the Group for the first three quarters of 2025 increased to P42,399 million or by 215%, from P13,465 million reported for the same period last year. Excluding the aforesaid gain of P21,933 million, the net income still rose significantly by 52% to P20,466 million.

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 three quarters of 2025, net generation of 3,357 gigawatt hours (GWh), at 43% net capacity factor rate, was lower by 30% than the same period in 2024 mainly due to the plant's longer outages.

Revenues of P27,724 million fell by 34%, from P42,267 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 and new contracts that are 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\$134/MT in the first three quarters of 2024 to US\$104/MT for the same period in 2025 and (ii) 34% drop in the average spot selling price from P6.61 per kilowatt hours (kWh) in 2024 to P4.36/kWh in 2025, contributed to the decline in revenues.

Consequently, operating income for the three quarters of 2025 registered at P5,201 million, down from the P9,381 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 P2,010 million during the period.

c. LPI, owner of Limay Greenfield Power Plant

For the first three quarters of 2025, net generation of the Limay Greenfield Power Plant of 2,353 GWh, at 67% net capacity factor rate, was lower by 19% than the 2,920 GWh registered for the same period in 2024 due to the plant's longer outages. Of the total net generation, 1,037 GWh was dispatched to LPI's power generation customers while the remainder was allocated to its retail electricity supplier (RES) business serving its contestable customers.

On the other hand, total offtake volume has gone up to 1,849 GWh, a 5% increase from same period in 2024 attributable to higher spot sales volume. Likewise, revenues increased from P9,591 million in 2024 to P9,608 million in 2025.

Operating income of P1,678 million for the first three quarters of 2025 was 33% lower than the P2,489 million posted in the same period last year on account of higher costs to supply.

d. MPI, owner of Davao Greenfield Power Plant

For the first three quarters of 2025, a total of 1,180 GWh was generated by the Davao Greenfield Power Plant, at a net capacity factor rate of 68%. This was lower by 6% compared to the same period in 2024, owing mainly to lower bilateral nominations. Consequently, total offtake volume decreased by 5% to 1,210 GWh.

Likewise, revenues at P7,078 million dropped by 7% from the previous year driven by lower offtake volume and reduced average realization price resulting from lower fuel tariff following the decline in global coal prices. As a result, operating income dropped by 18% to P1,805 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 4,233 GWh for the first three quarters of 2025 with 4,002 GWh or 95% supplied to power generation customers while the rest was discharged to contestable customers and for its BESS requirements. This was 6% higher, compared to the 3,770 GWh generated from the same period in 2024.

Total offtake volume of 5,309 GWh went up from the same period in 2024 resulting primarily from higher customer nominations. Revenues grew by 13% to P27,076 million and operating income increased by 46% to P5,468 million for the first three quarters of 2025 compared to the same period in 2024. The growth was driven by higher offtake volume and improved average realization prices under new and renewed bilateral contracts.

f. MPGC, owner of Mariveles Greenfield Power Plant

For the first three quarters of 2025, net generation of the Mariveles Greenfield Power Plant is registered at 2,777 GWh, at 79% net capacity factor rate. This represents a 27% 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 2,798 GWh likewise increased by 27% as a result of higher net generation supplied to the spot market, affiliate generators, and Meralco pursuant to the commencement of the 300 MW PSA on June 2, 2025.

As a result, revenues surged to P14,668 million, a 93% increase from the P7,589 million posted in the same period last year. Likewise, operating income significantly improved at P3,730 million, up by 329% from the P869 million for the first three quarters 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 26, 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 P3,851 million during the period.

h. SRHI, IPPA of San Roque Hydroelectric Power Plant

The San Roque Hydroelectric Power Plant's net generation of 929 GWh for the first three quarters of 2025, at 41% net capacity factor rate, increased by 125% due to longer operating hours attributable mainly to higher water reservoir level. Consequently, total offtake volume of 1,373 GWh increased by 19% compared to the same period in 2024 owing to improved spot sales volume.

Likewise, revenues increased by 9% to P6,566 million, compared to P6,047 million for the same period last year. Additionally, operating income rose significantly to P2,036 million, representing a 199% increase from the same period in 2024, on account of higher offtake volume and lower costs to supply.

2. RETAIL AND OTHER POWER-RELATED SERVICES

a. LPI - RES

For the first three quarters of 2025, total offtake volume registered at 1,918 GWh, lower by 24% compared to the same period in 2024 at 2,537 GWh due mainly to lower customer nominations. Likewise, revenues decreased by 21% from P15,293 million in 2024 to P12,028 million for the first three quarters of 2025 due to lower offtake volume.

Consequently, operating income for the first three quarters was registered at P1,576 million, 16% lower compared to the P1,886 million posted for the same period in 2024.

b. MPCL - RES and BESS

For the first three quarters of 2025, revenues (consisting of revenues from RES contracts and revenues earned from ancillary services contracts and reserves market sales generated from the 30 MWh Masinloc BESS) and operating income amounted to P8,142 million and P1,718 million, an increase of 73% and 120%, respectively, compared to the same period in 2024. The growth was primarily driven by a significant rise in offtake volume 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 67% and 99% to P981 million and P748 million, respectively, for the first three quarters 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 during this period.

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

For the first three quarters of 2025, SMGP BESS generated revenues of P11,565 million, reflecting a 91% increase compared to the same period last year. This growth was primarily driven by the full nine-month operations of the 3 BESS facilities, with a combined capacity of 110 MWh, which commenced operations in March 2024 and the addition of 3 new BESS facilities with an aggregate capacity of 110MWh that began operations in the first half of 2025. Operating income also rose significantly to P8,814 million, up by 121% from P3,991 million in 2024 same period.

2024 vs. 2023

	For the Periods Ended September 30		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
<i>In Millions</i>	2024	2023	Amount	%	2024	2023
Revenues	P153,592	P125,213	P28,379	23%	100%	100%
Cost of power sold	114,154	97,464	16,690	17%	74%	78%
Gross profit	39,438	27,749	11,689	42%	26%	22%
Selling and administrative expenses	5,957	4,412	1,545	35%	4%	3%
Income from operations	33,481	23,337	10,144	43%	22%	19%
Interest expense and other financing charges	(15,084)	(12,354)	2,730	22%	(10%)	(10%)
Interest income	653	1,086	(433)	(40%)	0%	1%
Equity in net earnings (losses) of an associate and joint ventures - net	236	(95)	331	348%	0%	0%
Other charges - net	(532)	(709)	177	25%	0%	(1%)
Income before income tax	18,754	11,265	7,489	66%	12%	9%
Income tax expense	5,289	2,177	3,112	143%	3%	2%
Net income	P13,465	P9,088	P4,377	48%	9%	7%

Revenues

The Group's consolidated revenues for the first three quarters of 2024 reached P153,592 million, a 23% increase from P125,213 million recognized in the same period in 2023. This growth was mainly driven by higher offtake volume from the following sources: (i) several contracted capacities from PSAs with Meralco and other DUs secured by the Group, enabling the contracting of the Group's available capacities mainly from the Ilijan Power Plant and the incremental generation from the 600 MW Mariveles Greenfield Power Plant even while most of its units are undergoing testing and commissioning, and (ii) ancillary services rendered in 2024 for NGCP using a total of 10 BESS facilities of SMGP BESS with a combined installed capacity of 330 MWh.

Cost of Power Sold

Costs of power sold increased to P114,154 million for the first three quarters of 2024, which is 17% higher than the P97,464 million incurred for the same period in 2023. While global coal prices came down, averaging only US\$134/MT in 2024 compared to US\$185/MT (in GC Newcastle terms) for the same period in 2023, such costs increased due to the following: (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 costs of power sold was mitigated by fuel passthrough arrangements under most of the Group's PSAs and Retail Supply Contracts (RSCs) with its customers.

Selling and Administrative Expenses

Selling and administrative expenses increased by 35% or P1,545 million, from P4,412 million for the first three quarters of 2023 to P5,957 million in 2024 for the same period. The increase was mainly due to incremental operating expenses following the start of commercial operations of the 10 BESS facilities and the Mariveles Greenfield Power Plant, as well as personnel-related expenses necessary for the continuing business expansion of the Group.

Income from Operations

As a result, consolidated income from operations of P33,481 million for the first three quarters of 2024 grew by 43% from the same period in 2023. The increase was driven by improved margins as the Group worked out a successful transition to fuel passthrough arrangements for most of its bilateral customers, including the PSA of SPPC with Meralco that was served from the available capacity of the Ilijan Power Plant during the period, 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 P15,084 million for the first three quarters of 2024. This was 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 settled in October 2024.

Interest Income

Interest income amounted to P653 million for the first three quarters of 2024. The lower number compared to the same period in 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 P236 million for the first three quarters of 2024, a turnaround from the P95 million loss for the same period in 2023, mainly due to the improvement in the financial performance of AHC.

Other charges - net

Other charges amounted to P532 million for the first three quarters of 2024, which decreased by 25% compared to the same period in 2023. This was mainly due to higher miscellaneous income from lease-related transactions and service fees which partly offset the increase in foreign exchange losses recognized on the revaluation of the Group's US Dollar-denominated net monetary liabilities brought by the depreciation of the Philippine Peso against the US Dollar in the first three quarters of 2024.

Income Tax Expense

Provision for income tax amounted to P5,289 million for the first three quarters of 2024. The higher number compared to the same period in 2023 was due mainly to the expiration of the income tax holiday of LPI and MPI in May and September 2023, respectively.

Net Income

Consequently, the consolidated net income of the Group for the first three quarters of 2024 increased to P13,465 million or by 48%, from P9,088 million reported for the same period in 2023.

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

1. POWER GENERATION

a. SPI, IPPA of Sual Power Plant

For the first three quarters of 2024, net generation of 4,768 GWh, at 60% net capacity factor rate, was lower by 3% than in 2023 same period due mainly to the plant's longer outages.

Revenues of P42,267 million fell by 22%, from P54,245 million in 2023. The decrease was mainly due to lower average realization price resulting from lower fuel tariff as global coal prices fell from an average of US\$185/MT in the first three quarters of 2023 to US\$134/MT for the same period of 2024.

Notwithstanding the revenue decline, margins improved due to lower generation costs brought by lower global coal prices. Consequently, operating income for the first three quarters of 2024 rose to P9,381 million, up by 22% from P7,703 million in 2023.

b. SPPC, owner of Ilijan Power Plant

The net generation of Ilijan Power Plant for the first three quarters of 2024 significantly increased to 5,339 GWh, from 1,159 GWh registered in 2023, mainly due to the plant's resumption of operations from June 2023 following the successful supply of re-gasified LNG from the Batangas LNG terminal.

Likewise, total offtake volume of 5,879 GWh for the first three quarters of 2024 was higher compared to the same period in 2023 on account of the increase in Meralco nominations due to the full nine-month impact of its PSAs with Meralco. Said bilateral contracts have fuel passthrough arrangements that translated to a higher average realization rate. Consequently, revenues increased to P43,522 million for the first three quarters of 2024 from the P25,299 million posted for the same period in 2023.

For the first three quarters of 2024, SPPC recognized an operating income of P7,054 million due mainly to improved margins. This was a complete turnaround from the P71 million operating loss posted for the same period in 2023.

c. LPI, owner of Limay Greenfield Power Plant

For the first three quarters of 2024, net generation of the Limay Greenfield Power Plant registered at 2,920 GWh, at 83% net capacity factor rate. This was a 2% decrease from the same period in 2023 due primarily to higher combined plant outages. Of the plant's net generation, 840 GWh was dispatched to power generation customers while the remainder was supplied to its contestable customers.

For the first three quarters of 2024, total offtake volume of 1,758 GWh went up from same period in 2023 by 6% due to the increase in bilateral sales volume. However, revenues decreased by 6% from P10,235 million in 2023 to P9,591 million in 2024 attributable to 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 P2,489 million for the first three quarters of 2024 rose by 30% from P1,921 million posted in 2023. The increase was mainly on account of improved margins resulting from lower generation costs brought by the decline in global coal prices.

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

For the first three quarters of 2024, a total of 1,260 GWh was generated by the Davao Greenfield Power Plant, at a net capacity factor rate of 73%. This is higher by 13% compared to the same period in 2023 owing to the increase in spot nominations. Consequently, total offtake volume increased by 12% to 1,272 GWh.

However, revenues at P7,632 million dropped by 17% compared to previous year due to lower average realization price resulting from lower fuel tariff as global coal prices fell and lower average spot prices. As a result, operating income at P2,202 million declined by 25% 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 4,258 GWh for the first three quarters of 2024 with 3,770 GWh or 89% supplied to power generation customers while the rest was dispatched to RES customers. This was 8% higher, compared to the 3,935 GWh generated from same period in 2023, as a result of lower outage days in 2024.

Total offtake volume of 4,695 GWh went up from same period in 2023 resulting primarily from higher customer nominations and new contracts entered into in 2024. On the other hand, revenues and operating income decreased to P23,883 million and P3,752 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 in 2024.

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

For the first quarter of 2024, all 4 generation units of the Mariveles Greenfield Power Plant were undergoing testing and commissioning with Unit 1 and Unit 2 declared operational with the IEMOP starting on March 28, 2024 and September 26, 2024, respectively. As a result, revenues and operating income registered at P7,589 million and P869 million, respectively, in 2024.

g. **SRHI, IPPA of San Roque Hydroelectric Power Plant**

The San Roque Hydroelectric Power Plant's net generation of 412 GWh for the first three quarters of 2024, at 18% net capacity factor rate, dropped by 41% due to shorter operating hours attributable mainly to lower water reservoir level. Likewise, total offtake volume of 1,159 GWh decreased by 24% compared to the same period in 2023 resulting from lower generation.

Revenues of P6,047 million decreased by 49% compared to the previous year's P11,747 million mainly due to the decline in offtake volume and lower average realization price.

Operating income of P682 million for the first three quarters of 2024 dropped by 79% compared to the same period in 2023. The decline was due to lower margin, resulting from the aforesaid decrease in offtake volume and average realization price.

2. RETAIL AND OTHER POWER-RELATED SERVICES

a. LPI - RES

For the first three quarters of 2024, total offtake volume registered at 2,537 GWh. This increased by 63% compared to the previous year's 1,560 GWh due mainly to higher nominations from customers. Likewise, revenues increased by 38% from P11,121 million in 2023 to P15,293 million for the first three quarters of 2024 due to higher offtake volume.

Consequently, operating income for the first three quarters of 2024 was registered at P1,886 million, 81% higher than the P1,042 million posted for the same period in 2023.

b. MPCL - RES and BESS

For the first three quarters of 2024, revenues, inclusive of ancillary revenues from the 10 MWh BESS, and operating income decreased to P4,707 million and P781 million, respectively, on account of lower average realization price during the period.

c. SMGP Kabankalan, owner of Kabankalan I BESS

Revenues of P586 million for the first three quarters of 2024 increased by 57% compared to same period in 2023. Likewise, operating income of P376 million was higher by 126% 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 10 BESS Facilities with combined installed capacity of 330 MWh

For the first three quarters of 2024, SMGP BESS reported revenues and operating income of P6,041 million and P3,991 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

<i>In Millions</i>	September 30, 2025	December 31, 2024	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
			Amount	%	2025	2024
Cash and cash equivalents	P104,017	P67,867	P36,150	53%	12%	8%
Trade and other receivables - net	108,905	115,884	(6,979)	(6%)	12%	13%
Inventories	11,729	14,326	(2,597)	(18%)	2%	2%
Prepaid expenses and other current assets	37,669	51,562	(13,893)	(27%)	4%	6%
Total Current Assets	262,320	249,639	12,681	5%	30%	29%
Investments and advances - net	107,452	19,896	87,556	440%	12%	2%
Property, plant and equipment - net	371,386	459,506	(88,120)	(19%)	42%	52%
Right-of-use assets - net	38,521	42,123	(3,602)	(9%)	4%	5%
Goodwill and other intangible assets - net	70,219	71,736	(1,517)	(2%)	8%	8%
Deferred income tax assets	1,385	1,354	31	2%	0%	0%
Other noncurrent assets	35,932	37,619	(1,687)	(4%)	4%	4%
Total Noncurrent Assets	624,895	632,234	(7,339)	(1%)	70%	71%
Total Assets	P887,215	P881,873	P5,342	1%	100%	100%
Loans payable	P29,000	P41,350	(P12,350)	(30%)	3%	5%
Accounts payable and accrued expenses	100,279	144,102	(43,823)	(30%)	11%	16%
Lease liabilities - current portion	5,359	10,049	(4,690)	(47%)	1%	1%
Income tax payable	141	80	61	76%	0%	0%
Current maturities of long-term debt - net of debt issue costs	41,138	28,477	12,661	44%	5%	3%
Total Current Liabilities	175,917	224,058	(48,141)	(21%)	20%	25%
Long-term debt - net of current maturities and debt issue costs	245,979	249,461	(3,482)	(1%)	28%	28%
Deferred income tax liabilities	17,354	23,978	(6,624)	(28%)	2%	3%
Lease liabilities - net of current portion	17,110	21,357	(4,247)	(20%)	2%	2%
Other noncurrent liabilities	4,208	3,994	214	5%	0%	1%
Total Noncurrent Liabilities	284,651	298,790	(14,139)	(5%)	32%	34%
Total Liabilities	460,568	522,848	(62,280)	(12%)	52%	59%

Forward

			Horizontal Analysis Increase (Decrease)		Vertical Analysis	
<i>In Millions</i>	September 30, 2025	December 31, 2024	Amount	%	2025	2024
Equity Attributable to Equity Holders of the Parent Company						
Capital stock	P4,785	P2,824	P1,961	69%	0%	0%
Additional paid-in capital	104,896	48,082	56,814	118%	12%	5%
Senior perpetual capital securities	168,966	151,195	17,771	12%	19%	17%
Redeemable perpetual capital securities	88,680	145,979	(57,299)	(39%)	10%	17%
Equity reserves	(557)	(16,385)	15,828	97%	0%	(1%)
Retained earnings	58,872	26,387	32,485	123%	7%	3%
	425,642	358,082	67,560	19%	48%	41%
Non-controlling Interests	1,005	943	62	7%	0%	0%
Total Equity	426,647	359,025	67,622	19%	48%	41%
Total Liabilities and Equity	P887,215	P881,873	P5,342	1%	100%	100%

The Group's consolidated total assets as at September 30, 2025, amounted to P887,215 million, higher by 1% or P5,342 million than December 31, 2024 balance of P881,873 million. The increase was attributable to the following factors:

- a. Increase in investment and advances by P87,556 million was mainly attributable to the:
 - (i) recognition at fair value of the 33% investments retained in SPPC, EERI, IPIEC;
 - (ii) acquisition of 33% equity interest in LFC; (iii) recognition of share in net earnings of the said entities from February to September 2025; and (iv) acquisition of Meralco shares and its subsequent revaluation.
- b. Increase in cash and cash equivalents by P36,150 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; (ii) proceeds from SMC's capital infusion in San Miguel Global Power; (iii) proceeds from various Peso and US Dollar-denominated long-term loans drawn by San Miguel Global Power and by MPGC; (iv) cash generated from operations; (v) proceeds from various short-term loans availed by SPI and by San Miguel Global Power; (vi) net proceeds from various issuances of SPCS during the period; and (vii) cash dividends from Meralco. These were partly offset by the: (i) redemptions of various perpetual capital securities in April and May 2025; (ii) capital expenditures for the Group's ongoing projects; (iii) distributions paid to the holders of perpetual capital securities; (iv) payments of maturing term loans of the Group and redemption of Series K Bonds by San Miguel Global Power; (v) payments for acquisitions of equity interests in LFC and the Meralco shares; and (vi) lease payments of SPI and SRHI to PSALM.
- c. Decrease in property, plant and equipment by P88,120 million as a result of the deconsolidation of SPPC and EERI's property, plant and equipment, partly offset by additional capital expenditures for the Group's ongoing projects.
- d. Decrease in prepaid expenses and other current assets by P13,893 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.

- e. Decrease in trade and other receivables by P6,979 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 period.
- f. Decrease in right-of-use assets by P3,602 million was mainly attributable to amortizations during the period and reclassification to investment property account of certain land that are subleased for the Group's solar projects.
- g. Decrease in inventories by P2,597 million was mainly attributable to the deconsolidation of SPPC and EERI's LNG and spare parts inventories and lower inventory levels of fuel and spare parts.

The Group's consolidated total liabilities as at September 30, 2025, amounted to P460,568 million, 12% or P62,280 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 P43,823 million was mainly attributable to the deconsolidation of SPPC and EERI, payments made to suppliers and contractors and partly offset by additional payables to contractors relating to the Group's ongoing construction projects.
- b. Decrease in loans payable by P12,350 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 various short-term loans drawn by SPI and San Miguel Global Power during the period.
- c. Decrease in lease liabilities (including current and noncurrent portions) by P8,937 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 income tax liabilities by P6,624 million was mainly attributable to the deconsolidation of SPPC, partly offset by additional deferred income tax expense recognized on temporary differences relating to lease liabilities during the period.
- e. Increase in long-term debt-net of debt issue costs (including current and noncurrent portions) by P9,179 million was attributable to the following: (i) additional loan drawn in March by MPGC from its credit facility executed in December 2024; (ii) various USD and Peso-denominated term loans availed by San Miguel Global Power in 2025; (iii) amortization of debt issue costs during the period; (iv) unrealized foreign exchange loss recognized on the revaluation of US Dollar-denominated loans; partly offset by the (v) payments of maturing long-term loans of San Miguel Global Power, LPI, MPI, MPCL and SMGP BESS, and (vi) redemption of Series K Bonds in July 2025.
- f. Increase in other non-current liabilities by P214 million was mainly due to additional customers' deposits and retirement benefits liabilities.
- g. Increase in income tax payable by P61 million was mainly attributable to the additional payable arising from higher taxable income for the third quarter of 2025.

The Group's consolidated total equity as at September 30, 2025 amounted to P426,647 million, higher by 19% or P67,622 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 retained earnings by P32,485 million was mainly attributable to the net income for the first three quarters of 2025, and net gain from redemptions by SPPC, EERI and IPIEC of their respective preferred shares issued to San Miguel Global Power. These were partly offset by the distributions to perpetual capital security holders.
- c. Increase in SPCS by P17,771 million as a result of various issuances, net of exchange offers, in February, July, and August 2025, partly offset by redemption completed in May 2025.
- d. Increase in equity reserves by P15,828 million was mainly attributable to the cumulative gain on fair valuation of investments in equity instruments (Meralco shares) and partly offset by the difference between the price paid and net carrying value of redeemed and exchanged perpetual capital securities during the period.
- e. Increase in non-controlling interests by P62 million pertains to the non-controlling interest's share in the net income of MPGC from the full nine-month operations of the Mariveles Greenfield Power Plant in 2025.
- f. Decrease in RPCS by P57,299 million was due to San Miguel Global Power's redemption of RPCS issued to SMC in April 2025.

2024 vs. 2023

<i>In Millions</i>	September 30, 2024	December 31, 2023	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
			Amount	%	2024	2023
Cash and cash equivalents	P33,348	P31,659	P1,689	5%	4%	4%
Trade and other receivables - net	113,190	116,976	(3,786)	(3%)	14%	15%
Inventories	14,758	16,841	(2,083)	(12%)	1%	2%
Prepaid expenses and other current assets	54,112	48,522	5,590	12%	7%	6%
Total Current Assets	215,408	213,998	1,410	1%	26%	27%
Investments and advances - net	13,880	10,953	2,927	27%	2%	1%
Property, plant and equipment - net	384,667	339,225	45,442	13%	47%	44%
Right-of-use assets - net	101,517	104,975	(3,458)	(3%)	12%	13%
Goodwill and other intangible assets - net	71,669	71,712	(43)	0%	9%	9%
Deferred income tax assets	1,138	974	164	17%	0%	0%
Other noncurrent assets	36,235	43,098	(6,863)	(16%)	4%	6%
Total Noncurrent Assets	609,106	570,937	38,169	7%	74%	73%
Total Assets	P824,514	P784,935	P39,579	5%	100%	100%
Loans payable	P24,024	P13,736	P10,288	75%	3%	2%
Accounts payable and accrued expenses	133,779	97,633	36,146	37%	16%	12%
Lease liabilities - current portion	4,939	17,645	(12,706)	(72%)	1%	2%
Income tax payable	211	222	(11)	(5%)	0%	0%
Current maturities of long-term debt - net of debt issue costs	40,107	54,125	(14,018)	(26%)	5%	7%
Total Current Liabilities	203,060	183,361	19,699	11%	25%	23%
Long-term debt - net of current maturities and debt issue costs	212,785	204,644	8,141	4%	26%	26%
Deferred income tax liabilities	24,426	21,285	3,141	15%	3%	3%
Lease liabilities - net of current portion	22,032	25,142	(3,110)	(12%)	2%	3%
Other noncurrent liabilities	7,318	7,030	288	4%	1%	1%
Total Noncurrent Liabilities	266,561	258,101	8,460	3%	32%	33%
Total Liabilities	469,621	441,462	28,159	6%	57%	56%

Forward

			Horizontal Analysis Increase (Decrease)		Vertical Analysis	
<i>In Millions</i>	September 30, 2024	December 31, 2023	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	137,968	161,768	(23,800)	(15%)	17%	21%
Redeemable perpetual capital securities	145,979	102,547	43,432	42%	18%	13%
Equity reserves	(13,128)	(3,020)	(10,108)	(335%)	(2%)	0%
Retained earnings	32,228	30,367	1,861	6%	4%	4%
	353,953	342,568	11,385	3%	43%	44%
Non-controlling Interests	940	905	35	4%	0%	0%
Total Equity	354,893	343,473	11,420	3%	43%	44%
Total Liabilities and Equity	P824,514	P784,935	P39,579	5%	100%	100%

The Group's consolidated total assets as at September 30, 2024, amounted to P824,514 million, higher by 5% or P39,579 million than December 31, 2023 balance of P784,935 million. The increase was attributable to the following factors:

- Increase in property, plant and equipment by P45,442 million as a result of the ongoing construction of the Group's ongoing projects.
- Increase in prepaid expenses and other current assets by P5,590 million was mainly attributable to (i) the additional advances paid to suppliers for the procurement of coal and LNG; and (ii) higher restricted cash set aside by SMGP BESS, LPI and MPI for its debt servicing requirements.
- Increase in investment and advances by P2,927 million was mainly attributable to the additional deposits made by San Miguel Global Power to landholding companies and share in higher net earnings of AHC.
- Increase in cash and cash equivalents by P1,689 million was due mainly to the net proceeds from the (i) issuance of various perpetual capital securities by San Miguel Global Power, net of exchange and tender offers; (ii) additional term loans drawn by SMGP BESS from its credit facility and secured by San Miguel Global Power; (iii) various short term loans availed by San Miguel Global Power, SPPC and MPGC; and (iv) cash generated from operations. These were partly offset by (i) capital expenditures for the Group's ongoing projects; (ii) redemption of SPCS in April 2024; (iii) payments of maturing long term loans of San Miguel Global Power, LPI, MPI, MPCL and SMGP BESS; (iv) redemption of Series I fixed rate bonds in April 2024; (v) lease payments of the IPPAs to PSALM; and (vi) distributions paid to the holders of perpetual capital securities.
- Increase in deferred income tax assets by P164 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.
- Decrease in other noncurrent assets by P6,863 million was attributable primarily to the reclassification to property, plant and equipment account of advances to suppliers and contractors applied to progress billings for the Group's ongoing projects.
- Decrease in inventories by P2,083 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 in 2024.

The Group's consolidated total liabilities as at September 30, 2024, amounted to P469,621 million, 6% or P28,159 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 P36,146 million was mainly attributable to higher trade payables mainly for the acquisition of LNG and coal fuel inventories and power purchases and additional payables to contractors.
- b. Increase in loans payable by P10,288 million was due to additional short-term loans drawn by San Miguel Global Power, SPPC, and MPGC from local banks in 2024.
- c. Increase in deferred income tax liabilities by P3,141 million was mainly attributable to (i) additional provision for deferred income tax expense arising from lease-related expenses of SPI; and (ii) SPPC's application of its available net operating loss carry over benefits to its income tax due.
- d. Decrease in lease liabilities (including current and noncurrent portions) by P15,816 million was mainly on account of (i) lease payments made by the IPPA entities to PSALM, partly offset by the (ii) foreign exchange losses recognized on the revaluation of US Dollar-denominated lease liabilities in 2024.
- e. Decrease in long-term debt - net of debt issue costs (including current and noncurrent portions) by P5,877 million was attributable to the: (i) payments of maturing long-term loans of San Miguel Global Power, LPI, MPI, MPCL and SMGP BESS; (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) San Miguel Global Power's availing of P10,000 million term loan in July 2024; (v) unrealized foreign exchange losses recognized on the revaluation of US Dollar-denominated loans; and (vi) amortization of debt issue costs.
- f. Decrease in income tax payable by P11 million was mainly attributable to lower income tax expense for the third quarter of 2024.

The Group's consolidated total equity as at September 30, 2024 amounted to P354,893 million, higher by 3% or P11,420 million than the December 31, 2023 balance of P343,473 million. The increase is accounted for as follows:

- a. Increase in RPCS by P43,432 million was mainly attributable to the issuance of the US\$800 million RPCS in April 2024.
- a. Increase in retained earnings by P1,861 million was mainly attributable to the net income for the first three quarters of 2024 and partly offset by the distributions to perpetual capital security holders.
- b. Decrease in SPCS by P23,800 million was mainly attributable to the redemption of the US\$783 million SPCS in April 2024, partly offset by the issuance of US\$211 SPCS, net of exchange offers (US\$532 million) and tender offers (US\$157 million) in September 2024.
- c. Decrease in equity reserves by P10,108 million was mainly attributable to the difference between the price paid and net carrying value of the redeemed, exchanged and repurchased SPCS in 2024.

IV. CASH FLOW

SOURCES AND USES OF CASH

A brief summary of cash flow movements is shown below:

<i>(in Millions)</i>	For the Periods Ended September 30	
	2025	2024
Net cash flows provided by operating activities	P26,573	P43,181
Net cash flows provided by (used in) investing activities	33,462	(26,940)
Net cash flows used in financing activities	(24,735)	(14,492)

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>	For the Periods Ended September 30	
	2025	2024
Proceeds from redemption of preferred shares	P78,717	P -
Dividends received	501	-
Decrease (increase) in other noncurrent assets	(1)	3,320
Additions to intangible assets	(13)	(43)
Advances paid to suppliers and contractors	(2,366)	(592)
Cash of deconsolidated subsidiaries	(5,678)	-
Additions to property, plant and equipment	(17,507)	(26,932)
Additions to investments and advances, net	(20,191)	(2,693)

Net cash flows used in financing activities are as follows:

<i>(in Millions)</i>	For the Periods Ended September 30	
	2025	2024
Proceeds from short-term borrowings	P111,000	P100,804
Proceeds from issuance of capital stock	58,776	-
Proceeds from long-term debts	33,086	33,304
Proceeds from the issuance of SPCS, net of exchange and tender offers	21,897	11,127
Proceeds from the issuance of RPCS	-	43,432
Payments of share issuance costs	(8)	-
Payments for redemption of SPCS	(6,288)	(45,039)
Payments of lease liabilities	(8,351)	(15,667)
Distributions paid to SPCS holders	(12,097)	(10,320)
Distributions paid to RPCS holders	(20,043)	(1,250)
Payments of long-term debts	(25,438)	(40,367)
Payments for redemption of RPCS	(58,857)	-
Payments of short-term borrowings	(118,412)	(90,516)

The effect of exchange rate changes on cash and cash equivalents amounted to P850 million and (P60 million) on September 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>	September 30, 2025	December 31, 2024
(A) Current Assets	262,320	249,639
(B) Current Liabilities	175,917	224,058
Current Ratio (A) / (B)	1.49	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>	September 30, 2025	December 31, 2024
(A) Net Debt ⁽¹⁾	136,446	219,596
(B) Total Equity ⁽²⁾	413,240	354,566
Net Debt-to-Equity Ratio (A) / (B)	0.33	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⁾	
(in Millions Peso)	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
(A) Total Assets ⁽³⁾	887,215	881,873	859,527	853,432
(B) Total Equity	426,647	359,025	426,647	359,025
Asset-to-Equity Ratio (A) / (B)	2.08	2.46	2.01	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 September 30, 2025 and December 31, 2024, the carrying amount of the IPPA power plant asset amounted to P27,688 million and P28,441 million, respectively.

PROFITABILITY RATIO

Return on Equity	=	Net Income	

		Total Equity	
<i>(in Millions Peso)</i>		September 30, 2025	December 31, 2024
(A) Net Income ⁽⁴⁾		41,317	12,384
(B) Total Equity		426,647	359,025
Return on Equity (A) / (B)		9.7%	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>	September 30, 2025	December 31, 2024
(A) EBITDA ⁽⁵⁾	38,908	37,897
(B) Interest Expense ⁽⁶⁾	15,556	14,761
Interest Coverage Ratio (A) / (B)	2.50	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 September 30	
<i>(in GWh)</i>		2025	2024
(A) Current Period Offtake Volume		22,090	27,043
(B) Prior Period Offtake Volume		27,043	17,237
Volume Growth (Decline) [(A / B) – 1]		(18.3%)	56.9%

Revenue Growth (Decline)	=	$\frac{\text{Current Period Revenue}}{\text{Prior Period Revenue}} - 1$	
		Periods Ended September 30	
<i>(in Millions Peso)</i>		2025	2024
(A) Current Period Revenue		118,795	153,592
(B) Prior Period Revenue		153,592	125,213
Revenue Growth (Decline) [(A / B) – 1]		(22.7%)	22.7%

Operating Margin	=	$\frac{\text{Income from Operations}}{\text{Revenues}}$	
		Periods Ended September 30	
<i>(in Millions Peso)</i>		2025	2024
(A) Income from Operations		34,834	33,481
(B) Revenues		118,795	153,592
Operating Margin (A) / (B)		29.3%	21.8%

VI. OTHER MATTERS

a. Commitments

The outstanding purchase commitments of the Group amounted to P69,220 million and P109,085 million as at September 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.