

SEC Number 66381
File Number

ENERGY DEVELOPMENT CORPORATION
(Company's full Name)

Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City, Philippines
(Company's Address)

(632) 7755-2332
(Telephone Number)

December 31, 2024
(Fiscal Year Ending)

SEC FORM 17-A
(Form Type)

Corporation Finance Department
(SEC Department)

Total Number of Stockholders as of December 31, 2024: 333

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 177
OF THE REVISED CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2024**
2. Commission identification number: **66381**
3. BIR Tax Identification No. **000-169-125-000**
4. Exact name of issuer as specified in its charter: **ENERGY DEVELOPMENT CORPORATION**
5. **PHILIPPINES**
Province, country or other jurisdiction of
Incorporation or organization
6. (SEC Use Only)
Industry Classification Code
7. **Rockwell Business Center Tower 3, Ortigas Avenue,**
Pasig City
Address of issuer's principal office
- 1604**
Postal Code
8. **(632) 7755-2332**
Issuer's telephone number, including area code:
8.
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

Title of each Class	Number of shares outstanding as of December 31, 2024
Common Stock, P1,000,000.00 par value	17,028.079027
Preferred Stock, P10,000.00 par value	9,375
11. Are any or all of the securities listed on a Stock Exchange?
Yes [] No [☒]
If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
12. Indicate by check mark whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code ("SRC") and SRC Rule 17 thereunder or Sections 11 of the Revised Securities Act ("RSA") and RSA Rule 11(a)-1 thereunder, and Sections 23 and 177 of the Revised Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [☒] No []
 - (b) has been subject to such filing requirements for the past ninety (90) days.

Yes [☒] No []

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

History of Ownership

Energy Development Corporation (the “Parent Company” or “EDC”), formerly Philippine National Oil Corporation-Energy Development Corporation (“PNOC-EDC”), was incorporated on March 5, 1976 to explore, develop, and operate geothermal energy projects in the Philippines. Prior to its initial public offering (“IPO”) in December 2006, PNOC-EDC was a wholly owned subsidiary of PNOC. Following the IPO, PNOC’s holdings in PNOC-EDC was reduced to 60% of the voting shares and issued share capital of PNOC-EDC.

In 2007, PNOC-EDC was privatized in a series of transactions that culminated in its full privatization in November of the same year. Red Vulcan Holdings Corporation (“Red Vulcan”), a subsidiary of First Gen Corporation (“First Gen”), submitted the highest bid and was declared the winner in the public bidding for the privatization of PNOC-EDC.

Given the change in ownership of PNOC-EDC, the Parent Company changed its corporate name in 2008 to “Energy Development (EDC) Corporation”, which was further changed in 2010 to its current name “Energy Development Corporation”.

On August 3, 2017, EDC received a notice from Philippines Renewable Energy Holdings Corporation (“PREHC”) that it filed a Tender Offer Report with the Philippine Securities and Exchange Commission (“SEC”) in which it indicated that it will launch a voluntary tender offer to acquire up to a maximum of 8.9 billion common shares of EDC, representing approximately 31.7% of EDC’s total outstanding voting shares, at a price of ₱7.25 per share. PREHC is indirectly held by a consortium of investors comprising funds managed by Macquarie Infrastructure Management (Asia) Pty Limited, Singapore Branch, a member of Macquarie Infrastructure and Real Assets (“MIRA”), and Arran Investment Pte Ltd, an affiliate of GIC Pte Ltd. of Singapore.

The tender offer began on August 10, 2017 and ended on September 18, 2017. The completion of the tender offer resulted to PREHC owning 31.7% of EDC’s outstanding voting shares while Red Vulcan retained the controlling interest with 60.0% ownership of EDC’s outstanding voting shares.

On August 7, 2018, the Board of the Parent Company approved the voluntary delisting of its common shares from the Main Board of the Philippine Stock Exchange, Inc. “PSE”, and, in accordance with the PSE’s delisting rules and regulations, the conduct of a Tender Offer for up to 2,040,006,713 common shares held collectively by all shareholders of the Parent Company other than Red Vulcan, First Gen, Northern Terracotta Power Corporation (“NTPC”), and PREHC. This represented all remaining EDC common shares that were held by the public or approximately 10.9% of its total outstanding common shares.

On September 19, 2018, the Parent Company filed a petition for the delisting with the PSE. The Tender Offer began on September 24, 2018 until October 22, 2018. The Board of the PSE subsequently granted the petition for voluntary delisting filed by the Parent Company, and accordingly, ordered the delisting of the Parent Company’s common shares from the official registry of the PSE (electronic board and ticker) effective on November 29, 2018.

Red Vulcan is the parent company of EDC, while Lopez, Inc. is the ultimate parent company. Red Vulcan and Lopez, Inc. are both incorporated in the Philippines.

As of December 31, 2024 and 2023, Red Vulcan holds the controlling voting interest with 63.9% ownership of EDC’s outstanding voting shares while PREHC owns 34.9%.

Subsidiaries

The Parent Company and its subsidiaries (EDC and its subsidiaries are collectively referred to as the “Group”) were separately incorporated and registered with the SEC, except for its foreign subsidiaries. Below are the Parent Company’s voting interests in its subsidiaries:

	As of December 31, 2024 and 2023	
	Direct	Indirect
EDC Geothermal Corp. (“EGC”) ¹	100.00	–
Green Core Geothermal Inc. (“GCGI”)	–	100.00
Bac-Man Geothermal Inc. (“BGI”)	–	100.00
Unified Leyte Geothermal Energy Inc. (“ULGEI”) ²	–	100.00
Bac-Man Energy Development Corporation (“BEDC”) ³	–	100.00
Energy Development (EDC) Corporation Chile Limitada ³	99.99	0.01
EDC Holdings International Limited (“EHIL”) ¹	100.00	–
Energy Development Corporation Hong Kong Limited (“EDC HKL”) ¹	–	100.00
Energy Development Corporation Hong Kong International Investments Limited (“EDC HKIIL”) ¹	–	100.00
EDC Chile Holdings SPA ¹	–	100.00
EDC Geotermica SPA (Chile) ³	–	100.00
EDC Peru Holdings S.A.C. ⁴	–	100.00
EDC Geotermica S.A.C. ⁴	–	100.00
Geotermica Chocopata Peru S.A.C. ⁴	–	70.00
Energy Development Corporation Peru S.A.C. ⁴	–	100.00
Geotermica Andina S.A.C. ⁴	–	100.00
EDC Geotermica Del Sur S.A.C. ⁴	–	100.00
EDC Energía Azul S.A.C. ⁴	–	100.00
Geotermica Crucero Peru S.A.C. ⁴	–	70.00
EDC Energía Perú S.A.C. ⁴	–	100.00
Geotermica Tutupaca Norte Peru S.A.C. ⁴	–	70.00
EDC Energia Geotermica S.A.C. ⁴	–	100.00
EDC Progreso Geotermico Perú S.A.C. ⁴	–	100.00
Geotermica Loriscota Peru S.A.C. ⁴	–	70.00
EDC Energía Renovable Perú S.A.C. ⁴	–	100.00
Geotermica Pinchollo Libre Peru S.A.C. ⁴	–	70.00
EDC Soluciones Sostenibles Ltd ¹	–	100.00
EDC Desarrollo Sostenible Ltd ¹	–	100.00
EDC Energia Verde Peru S.A. ⁴	–	100.00
PT EDC Indonesia ³	–	95.00
PT EDC Panas Bumi Indonesia ³	–	95.00
EDC Wind Energy Holdings, Inc. (“EWEHI”) ¹	100.00	–
EDC Burgos Wind Power Corporation (“EBWPC”)	–	100.00
EDC Pagudpud Wind Power Corporation (“EPWPC”) ³	–	100.00
EDC Bayog Burgos Wind Power Corporation (“EBBWPC”) ³	–	100.00
EDC Pagali Burgos Wind Power Corporation (“EPBWPC”) ³	–	100.00
Iloilo 1 Renewable Energy Corporation (“IIREC”) ³	–	100.00
EDC Bright Solar Energy Holdings, Inc. (“EBSEHI”) ¹	100.00	–
EDC Siklab Power Corporation (“EDC Siklab”)	–	100.00
EDC Sinag Power Corporation (“EDC Sinag”) ³	–	100.00
EDC Wind Energy Holdings 2 Inc. (“EWEHI2”) ¹	100.00	–
First Gen Hydro Power Corporation (“FG Hydro”)	60.00	–

¹ Serves as an investment holding company

² On June 27, 2024, the BOD and stockholders approved the shortening of corporate term until June 23, 2026

³ Has not started commercial operations as of December 31, 2024

⁴ Ceased exploration and development activities as of December 31, 2024

EGC

EGC was incorporated on April 9, 2008. EGC became an investment holding company of its subsidiaries, namely GCGI, BGI, ULGEI, and BEDC.

Further details on EGC's subsidiaries are as follows:

- GCGI was incorporated on June 22, 2009 to carry on the business of power generation, transmission, distribution, and other energy-related businesses. GCGI is currently operating the 172.5 Megawatt ("MW") Palinpinon and 123 MW Tongonan 1 geothermal power plants in Negros Oriental and Leyte, respectively, following its successful acquisition from the Power Sector Assets and Liabilities Management Corporation ("PSALM") in 2009.

On June 8, 2020, the Energy Regulatory Commission ("ERC") approved GCGI's application for a Retail Electricity Supplier ("RES") license effective for a period of five (5) years from the date of issuance.

On May 20, 2021, the Department of Energy ("DOE") approved the application of GCGI for an operating permit as Renewable Energy ("RE") Supplier under the Green Energy Option Program ("GEOP") valid for a period of five (5) years from the date of issuance.

- BGI was incorporated on April 7, 2010 primarily to carry on the general business of generating, transmitting, and/or distributing energy. BGI is currently operating the 140 MW Bac-Man Geothermal Power Plants ("BMGPP") in Bicol, which it acquired from PSALM in May 2010. Prior to the acquisition of BGI of the BMGPP, the Parent Company supplied and sold steam to the National Power Corporation ("NPC") under a Steam Sales Agreement ("SSA").

On February 14, 2017, the ERC approved BGI's application for a RES license. Its RES license is valid until August 13, 2028.

On October 22, 2020, the DOE approved BGI's application for GEOP operating permit, valid for a period of five (5) years from the date of issuance.

In 2020, BGI started construction for the 29 MW Palayan Binary Power Project. The mechanical completion of the Palayan Binary has been achieved in November 2023, while the testing and commissioning works were ongoing as of December 31, 2024.

On February 22, 2021, MUFG Bank, Ltd., issued an irrevocable standby letter of credit in favor of Turboden S.P.A for the supply contract entered into BGI. This expired on January 23, 2023. On December 6, 2022, MUFG Bank, Ltd. - Manila Branch issued an irrevocable standby letter of credit amounting to USD\$8.4 million in favor of Turboden S.p.A. for the supply contract entered with BGI. Effective November 30, 2023, the amount was reduced to USD\$8.3 million which expired on March 31, 2024.

- ULGEI was incorporated on June 23, 2010. The operation of ULGEI involves managing and/or trading of 40 MW Strips of Energy from ULGPP under the Independent Power Producer Administrators Agreement with PSALM. The agreement expired last July 25, 2021. As of December 31, 2024, there are no live contract under ULGEI.

On June 27, 2024, the BOD and stockholders approved the shortening of the corporate term of ULGEI from fifty (50) years from and after the date of issuance of certificate of incorporation to until June 23, 2026.

- BEDC was incorporated on September 22, 2011 to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types and kinds of energy

sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities and electric cooperatives. As of December 31, 2024, BEDC remained non-operating.

EDC Chile Limitada

EDC Chile Limitada is a limited liability company incorporated on February 11, 2010 in Santiago, Chile with the purpose of exploring, evaluating and extracting any mineral or substance to generate geothermal energy. As of December 31, 2024, EDC Chile Limitada remained non-operating.

EHIL and EDC HKL

EHIL was incorporated on August 17, 2011 in British Virgin Islands and serves as an investment holding company of EDC's international subsidiaries. EHIL owns 100% interest in EDC HKL, a company incorporated on November 22, 2011, in Hong Kong. The following entities are the subsidiaries under EDC HKL:

- EDC HKIIL, a wholly owned subsidiary of EDC HKL, is a company incorporated on November 18, 2016 in the British Virgin Islands.
- EDC Chile Holdings SpA, which was incorporated on January 13, 2012 in Santiago, Chile, is a wholly owned subsidiary of EDC HKL and is the holding company of EDC Geotermica SpA (Chile) which was also incorporated on January 13, 2012 in Santiago, Chile. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types, and kinds of energy sources for lighting and power purposes and whole selling the electric power to power corporations, public electric utilities, and electric cooperatives.
- EDC Peru Holdings S.A.C., incorporated on January 19, 2012 in Lima, Peru, is a 99.9%-owned subsidiary of EDC HKL. EDC Peru Holdings S.A.C. holds 99.9% stake in EDC Geotermica S.A.C., which was also incorporated on January 19, 2012 in Lima, Peru and in Geotermica Andina S.A.C., which was incorporated on October 31, 2024 in Lima, Peru. EHIL owns the remaining 0.1% stake in EDC Peru Holdings S.A.C. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities and electric cooperatives.
- On July 17, 2012 and August 2, 2012, Energy Development Corporation Peru S.A.C and Geotermica Chocopata Peru S.A.C., respectively, were incorporated in Lima, Peru as subsidiaries of EDC Geotermica S.A.C. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities and electric cooperatives. On January 3, 2014, Energy Development Corporation Peru S.A.C. became 100% indirectly owned subsidiary by the Parent Company.
- On February 27, 2013, EDC Geotermica Del Sur S.A.C., EDC Energía Azul S.A.C., EDC Energía Perú S.A.C., EDC Energía Geotermica S.A.C., EDC Progreso Geotérmico Perú S.A.C., EDC Energía Renovable Perú S.A.C. were incorporated in Lima, Peru as 99.9%-owned by EDC HKL and 0.1%-owned by EDC Peru Holdings S.A.C. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities and electric cooperatives.

On July 5, 2013, three (3) entities were incorporated in Lima, Peru. These entities are Geotermica Crucero Peru S.A.C., as 70%-owned by EDC Energia Azul S.A.C; Geotermica Tutupaca Norte Peru S.A.C. as 70%-owned by EDC Energia Peru S.A.C.; and Geotermica Loriscota Peru S.A.C. as 70%-owned by EDC Progreso Geotermico S.A.C. On May 5, 2015, Geotermica Pinchollo Libre Peru S.A.C. was incorporated in Lima, Peru, as 70%-owned by EDC Energia Renovable Peru S.A.C. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities and electric cooperatives.

On May 25, 2023, the Board and stockholders of Energy Development Corporation Peru S.A.C decided to no longer pursue exploration and development activities in Peru due to political and market factors. As a result, the Group recognized provision for impairment loss on goodwill, property, plant and equipment, exploration and evaluation assets, and other various assets totaling to ₱282.4 million in 2023.

- On January 3, 2014, EDC HKL purchased 100% interest in EDC Soluciones Sostenibles Ltd and EDC Desarrollo Sostenible Ltd located in British Virgin Islands with a total offer price of US\$3.0 million. This effectively gave EDC HKL a 100% indirect interest to acquirees' subsidiary, EDC Energia Verde Peru S.A.
- On July 9, 2012, PT EDC Indonesia and PT EDC Panas Bumi Indonesia were incorporated in Jakarta Pusat, Indonesia as 95%-owned subsidiaries of EDC HKL.

On June 20, 2024, PT EDC Indonesia and PT EDC Panas Bumi made an adjustment on its capitalization by way of reducing the authorized capital and issued and paid-up capital.

As of December 31, 2024, all subsidiaries of EDC HKL remained non-operating.

EWEHI

EWEHI was incorporated on April 15, 2010, as a holding company. The following entities are the wholly owned subsidiaries of EWEHI:

- EBWPC was incorporated on April 13, 2010 to carry on the general business of generating, transmitting, and/or distributing energy. EBWPC operates the 150 MW Burgos Wind Project located in the Municipality of Burgos, Ilocos Norte.
- EPWPC was incorporated on February 29, 2012 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2024, EPWPC remained non-operating.
- EBBWPC and EPBWPC were both incorporated on May 22, 2014 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2024, EBBWPC and EPBWPC remained non-operating.
- IIREC was incorporated on February 9, 2016 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2024, IIREC remained non-operating.

EBSEHI

EBSEHI was incorporated on May 23, 2014, as a holding company. The following entities are the wholly owned subsidiaries of EBSEHI:

- EDC Siklab was incorporated on May 22, 2014 to carry on the general business of generating, transmitting, and/or distributing energy.
- EDC Sinag was incorporated on November 19, 2014 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2024, EDC Sinag remained non-operating.

EWEHI2

EWEHI2 was incorporated on January 5, 2017, as a holding company. As of December 31, 2024, EWEHI2 remained non-operating.

FG Hydro

FG Hydro was incorporated on March 13, 2006 with primary activities on power generation, transmission, distribution, and other energy-related businesses. FG Hydro operates the 132 MW Pantabangan-Masiway hydroelectric plants (“PAHEP/MAHEP”) located in Nueva Ecija, Philippines.

Nature of Operations

The Group is primarily engaged in the business of exploring, developing, and operating geothermal energy and other indigenous renewable energy projects in the Philippines.

The Parent Company’s geothermal power projects are composed of two (2) principal activities: (i) the production of geothermal steam for use at EDC and its subsidiaries’ geothermal power plants, and (ii) the generation and sale of electricity through those geothermal power plants pursuant to take-or-pay and take-and-pay offtake arrangements. The Parent Company’s electricity sales are supported by medium-term to long-term offtake agreements in various forms. The Parent Company’s steam sales are backed by offtake agreements with its subsidiaries: (i) Geothermal Resource Sales Contracts (“GRSCs”) with GCGI; and (ii) SSA with BGI.

The Parent Company and its subsidiaries, namely GCGI, BGI, and FG Hydro hold offtake agreements in the form of PSAs with various customers, particularly electric cooperatives, distribution utilities, and retail electricity suppliers. Generated electricity in excess of contracted levels is sold to the WESM.

Each of BGI and GCGI has a RES license that authorizes said companies to engage in the supply of electricity to end-users in the contestable market through retail supply contracts. Both companies also hold operating permits as RE Supplier under the GEOP.

The Parent Company holds service contracts with the DOE corresponding to ten (10) geothermal contract areas, each granting the Parent Company exclusive rights to explore, develop, and utilize the corresponding resources in the relevant contract area. The Parent Company conducts commercial operations in four (4) of its ten (10) geothermal contract areas as follows:

- Tongonan, Kananga, Leyte – EDC operates geothermal steamfield projects in Leyte, which deliver steam to the Tongonan geothermal power plant owned by GCGI, a subsidiary of EDC, and the EDC-owned Unified Leyte geothermal power plants.

- Southern Negros, Valencia, Negros Oriental – EDC operates one (1) geothermal steamfield project in Southern Negros, which delivers steam to the two (2) GCGI-owned Palinpinon geothermal power plants, and EDC-owned Nasulo geothermal power plant.
- Bacon-Manito, Albay and Sorsogon – EDC operates one (1) geothermal steamfield project, which delivers steam to two (2) geothermal power plants in Albay and Sorsogon, owned by BGI.
- Mt. Apo, Kidapawan, Cotabato – EDC operates one (1) geothermal steamfield project, which delivers steam to three (3) EDC-owned geothermal power plants in Mt. Apo.

The Group also operates hydroelectric power plants through FG Hydro, a 60%-owned subsidiary of EDC. FG Hydro generates revenue from the sale of electricity generated by its 132 MW PAHEP/MAHEP located in Nueva Ecija. FG Hydro sells electricity as ancillary service to the National Grid Corporation of the Philippines (“NGCP”) under an Ancillary Services Procurement Agreement (“ASPA”), which is valid until September 20, 2028.

EBWPC, a subsidiary of EDC, operates the 150 MW Burgos Wind Energy Project.

EDC also operates the 6.82 MW Burgos Solar Project (Phases 1 and 2).

The 150 MW wind and 6.82 MW solar projects of EBWPC and EDC, respectively, were granted Feed-In-Tariff (“FIT”) Certificate of Compliance (“COC”) by the ERC that entitle them to the applicable FIT rates, subject to adjustments as may be approved by the ERC, for the entire duration of their FIT eligibility periods.

EDC Siklab, a subsidiary of EDC, operates solar rooftop systems in various Gaisano Capital’s malls located in the provinces of Iloilo, Aklan, Leyte, Southern Leyte and Sorsogon.

Principal products or services and their markets

The Group has evolved into being the country’s premier pure renewable energy player, having interests in geothermal, hydro, wind, and solar power.

For geothermal energy, its standing relationships and/or expertise spans the entire geothermal value chain, i.e., from geothermal energy exploration and development, reservoir engineering and management, engineering design and construction to environmental management and energy research and development. The Group, through EDC, GCGI and BGI, commercially operates in the four (4) geothermal service contract areas, where it is principally involved in the generation and sale of electricity through company-owned geothermal power plants to NPC, electric cooperatives, privately-owned distribution utilities, and large and mid-sized industrial clients thru Retail Competition and Open Access (“RCOA”) and the GEOP, and sales to the WESM”. Each of GCGI and BGI holds a Retail RES license and a GEOP operating permit, through which it contracts with contestable customers and end-users.

The Group’s wind energy expertise covers project research and development and wind data assessment. EBWPC’s Burgos Wind Power project has a concession area in Burgos, Ilocos Norte and is under the FIT arrangement.

With FG Hydro, the Group has not only acquired expertise in hydropower operation and maintenance but also improved its capability to sell power on a merchant basis. Through its 60% equity interest in FG Hydro, EDC indirectly operates the 132 MW PAHEP/MAHEP located in Nueva Ecija.

EDC also operates the Burgos Solar Project (Phases 1 and 2), which is inside the same concession area as EBWPC wind farm and are also under the FIT arrangement. The Group, through Siklab, also has solar rooftop projects in Gaisano La Paz, Kalibo, Oton, Passi, Balasan, Sogod, Ormoc and Sorsogon.

Operational Highlights

Total revenue was ₱46,148.7 million in 2024, a 2.2% or ₱1,022.9 million decrease from the ₱47,171.6 million revenue in 2023. The decrease was mainly due to the lower sales volume, which was partly offset by the overall higher average price. The Group's total electricity sales of 7,612.2 gigawatt hours ("GWh") in 2024, was a 5.4% decrease from the 8,044.3 GWh in 2023.

Revenue from the combined bilateral contracts and WESM sales decreased by 2.3% or ₱1,080.5 million to ₱46,001.6 million in 2024 from ₱47,082.1 million in 2023. Electricity sales totaled 7,591.5 GWh in 2024, a 5.3% decrease from the 8,020.2 GWh in 2023.

Revenue from sale of electricity under ASPA increased by 64.4% or ₱57.6 million to ₱147.1 million in 2024 from ₱89.5 million in 2023. The corresponding volume of 20.7 GWh in 2024 was 14.1% lower from the 24.1 GWh in 2023 due to the expiration of some the ASPAs.

	GWh				In ₱ million			
	2024	2023	vs.		2024	2023	vs.	
Unified Leyte	1,526.5	1,868.4	-341.9	-18.3%	8,214.1	10,275.6	-2,061.5	-20.1%
Mindanao I, II, III	616.0	664.9	-48.9	-7.4%	3,000.0	2,858.3	141.7	5.0%
Nasulo	316.5	322.6	-6.1	-1.9%	2,030.1	2,032.1	-2.0	-0.1%
Northern Negros	4.5	—	4.5	0.0%	24.7	—	24.7	0.0%
Palinpinon	1,121.7	1,334.2	-212.5	-15.9%	6,904.5	8,065.9	-1,161.4	-14.4%
Tongonan	1,736.9	1,531.9	205.0	13.4%	11,846.7	9,386.0	2,460.7	26.2%
Bacman	1,796.6	1,754.1	42.5	2.4%	10,331.5	9,792.0	539.5	5.5%
Burgos Wind	268.9	351.7	-82.8	-23.5%	2,601.6	3,392.3	-790.7	-23.3%
Burgos Solar	8.4	9.9	-1.5	-15.2%	86.3	102.4	-16.1	-15.7%
Siklab (Solar Rooftop)	5.5	4.7	0.8	17.0%	32.3	27.9	4.4	15.8%
FG Hydro	210.7	201.9	8.8	4.4%	1,076.9	1,239.1	-162.2	-13.1%
ASPA	20.7	24.1	-3.4	-14.1%	147.1	89.5	57.6	64.4%
WESM & BCQs	190.0	177.8	12.2	6.9%	929.8	1,149.6	-219.8	-19.1%
	7,612.2	8,044.3	-432.1	-5.4%	46,148.7	47,171.6	-1,022.9	-2.2%

*BCQ - bilateral contract quantities

Distribution methods of products or services

The 1,526.5 GWh of electricity sold by Unified Leyte was delivered mainly to the WESM, Meralco, electric cooperatives and to other customers through First Gen Energy Solutions Inc. ("FGES").

The 616.0 GWh of electricity sold by the Mindanao geothermal power plants were delivered mainly to NPC, the WESM and other industrial customers.

The 316.5 GWh of electricity sold by the Nasulo geothermal power plant was delivered mainly to the WESM and to FGES.

A total of 2,858.6 GWh sold by the geothermal power plants in Tongonan and Palinpinon was delivered to electric cooperatives, industrial customers and to the WESM in the Visayas region. Tongonan also delivered electricity through its RES/GEOP contracts.

The 1,796.6 GWh of electricity sold by the Bac-Man geothermal power plants was delivered mainly through RES/GEOP contracts, to the WESM and electric cooperatives in the Luzon region.

The 268.9 GWh, and 8.4 GWh of electricity sold by the Burgos Wind power plants, and Burgos Solar power plants, respectively, were delivered mainly to WESM and National Transmission Corporation ("TransCo.")

190.0 GWh of electricity was sold by FG Hydro mainly to the WESM and through PSAs with various customers. FG Hydro also sold 20.7 GWh as sale of electricity under ASPA.

5.5 GWh of electricity sold by EDC Siklab pertained to solar rooftop projects.

The 4.5 GWh of electricity sold by the Northern Negros geothermal power plant was delivered to the WESM as testing revenue.

The electricity generated by the Group's power plants is transmitted to its customers through the high voltage backbone system of the NGCP.

Percentage of sales or revenues and net income contributed by foreign sales

There were no sales or revenues and net income contributed by foreign sales for the last three years.

New products or services

The Group is in various phases of early stage/pre-development activities in some of its concession areas.

In 2024, EDC had been building three (3) Battery Energy Storage Systems ("BESS"), i.e., 20MW BESS in Bac-Man, 10MW in Tongonan, Leyte, and 10MW in Southern Negros. These are co-located at its existing geothermal facilities. The BESS are aimed to help provide grid stability and reliability through provision of ancillary services. The electro-mechanical assets of the BESS were completed by the end of 2024.

FG Hydro is currently developing the Aya pumped-storage facility designed to increase the capacity of the Pantabangan-Masiway plant complex by up to 120MW. The facility is expected to store and generate electricity by moving water between the Pantabangan reservoir and the Masiway reservoir, which are situated at different elevations. The project is designed to allow full year operations independent of the irrigation demands from the National Irrigation Administration ("NIA"). Construction of the Aya pumped-storage facility is targeted to start in the fourth quarter of 2025.

Competition

The government, in implementing the thrust of the Electric Power Industry Reform Act ("EPIRA"), has paved the way for a more independent and market-driven Philippine power industry. Various policies and programs allow for the sale of electricity to different markets and buyer groups and encourage investment from RE developers and generators through policy mechanisms.

Essentially, selling power and consequently the dispatch of power plants depend on the ability to offer competitively priced power supply to the market. However, unique to the renewable energy resources is the granting of its preferential dispatch in the market. Wind, solar, run-of-river hydro or ocean energy, are considered "Must Dispatch" units while geothermal, biomass and impounding hydro were granted "Priority Dispatch", which guarantees its dispatch to the grid at prevailing merchant WESM prices.

The Group has multiple power projects in Luzon, Visayas, and Mindanao. While the Luzon and Visayas grids have been in operation since 2006 and 2010, respectively, the WESM in Mindanao commenced operations last January 26, 2023. In addition, the Mindanao Visayas Interconnection Line, which connects the island to the rest of the Luzon and Visayas grids, was energized last April 30, 2023. These enabled the unified market across the three islands and allowed the transfer of energy surplus to the region experiencing deficit.

In addition, the Reserve Market, which aims to co-optimize the dispatch schedule and prices for both the energy and reserve requirements of the grid, was launched on January 26, 2024. After temporarily being suspended on March 26, 2024, the DOE directed the Market Operator to resume commercial operations of the Reserve Market on August 5, 2024.

Aside from selling through the market, the RCOA, which started commercial operations on 26 June 2013, is another mechanism which allows competition in the retail level wherein qualified end-users, called Contestable Customers, may directly contract with RES for the supply of electricity instead of courting the same through the franchised distribution utility.

Moreover, Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008 (the “RE Act”), provides for policy mechanisms, such as the Renewable Portfolio Standards (“RPS”) and the GEOP, to further promote the development and utilization of renewable energy resources.

Under the RPS, mandated participants such as but not limited to electric cooperatives, distribution utilities and RES are required to source a portion of their energy requirement from RPS-eligible plants. In line with this, a Renewable Energy Market (“REM”) was established where Renewable Energy Certificates corresponding to energy generated from eligible RE facilities can be traded, which shall be used by Mandated Participants to comply with their RPS obligations. On December 26, 2024, DOE declared the full commercial operations of the REM.

In addition, GEOP gives end-users the opportunity to source their power supply purely from renewable energy suppliers. On August 16, 2021, the ERC issued Resolution No. 08, Series of 2021 adopting the Rules for the GEOP, which took effect on September 3, 2021. Following the issuance of GEOP rules, the Independent Electricity Market Operator of the Philippines (“IEMOP”) launched the GEOP on December 3, 2021.

Furthermore, DOE issued Department Circular No. DC 2021-11-0036 providing the Revised Guidelines for the Green Energy Auction Program (“GEAP”) in the Philippines. The GEAP succeeds the FIT award mechanism; however, the twenty (20)-year tariffs will be determined through a competitive selection process. DOE further clarified under DC 2023-09-0027 published in September 2023 that the Green Energy Tariff (“GET”) from the Green Energy Auction of the winning bidder is considered as the FIT. The GEAP was designed to continuously trigger the increase of RE capacity in the country, which will help realize the government’s target of 35% RE in the energy mix by 2030 and 50% by 2040. For its first round of auction in 2022 or Green Energy Auction-1, DOE set an installation target of 2,000 MW of RE capacity for 2023-2025 and awarded nineteen (19) winning bidders. This was able to generate 1,967 MW of committed renewable energy capacity or 98% of installation target to be delivered between 2023 to 2025. The first round offered capacities utilizing hydro, biomass, solar and wind generation technologies, with the bulk (1,490 MW) of awarded capacities coming from solar projects. In 2023, for Green Energy Auction-2, DOE set an installation target of 11,600 MW of RE capacity for 2024-2026 and released the Notice of Award to a hundred and five (105) winning bidders. While it was able to raise 3,581 MW worth of committed RE capacity targeted to be delivered between 2024 to 2026, it was only 32% of the DOE's ambitious target. The DOE published the Notice of Auction and Terms of Reference for Green Energy Auction-3 for geothermal, impounding hydro, and pumped-storage hydro facilities on November 14, 2024 and issued the succeeding supplementary GEA Advisory No.1 on December 27, 2024.

Further enhancing competition in the renewable energy sector is the passage of Republic Act No. 11659 or the Public Services Act (“RA 11659”), as amended, which was signed into law on March 21, 2022. This removed foreign equity restrictions on most public service companies, except those considered as public utility and critical infrastructure. The government’s move to open competition in the RE market is further strengthened with the issuance of DOE Department Circular No. DC2022-11-0034 on November 15, 2022, amending the Implementing Rules and Regulations of RA 9513, which now allows foreign citizens or 100% foreign-owned companies to undertake the exploration, development, and utilization of solar, wind, hydro, and ocean or tidal energy resources. This shift in government policy to

allow full foreign ownership of certain renewable energy projects aims to attract more investments in the renewable energy sector and meet the long-term climate target commitments of the country. The Group will face competition in both the development of new power generation facilities and the acquisition of existing power plants, as well as in the financing for these activities.

The performance of the Philippine economy and the historical high returns of power projects in the country have attracted many potential competitors, including multinational development groups and equipment suppliers, to explore opportunities in the development of electric power generation projects in the Philippines. Accordingly, competition for and from new power projects may increase in line with the long-term economic growth of the Philippines.

The Group believes that it will be able to compete because of its competitively priced power, the reliability of its power plants, its use of clean and renewable fuels, and its expertise and experience in power supply contracting and trading.

Suppliers of raw materials

The Group's principal product or service is the delivery of renewable energy. Correspondingly, its main source of raw material is from renewable or natural sources – geothermal (steam), wind, solar and hydro (water). The Group has rights to explore, develop, and utilize the corresponding resources in the relevant contract area through its service contracts (refer to discussions on concessions under the section *Government approvals, patent, trademarks, copyright and concessions* under the *Item 1. Business*).

The Group is not dependent on one or a limited number of suppliers for essential raw materials, energy or other items.

Dependence on one or a few major customers and identity of any such major customers

For the year ended December 31, 2024, the Group's revenue from sale of electricity is not dependent on one or a few major customers.

Transactions with and/ or dependent on related parties

Schedule and discussions on related party transactions can be found under *Item 12. Certain Relationships and Related Transactions*.

Government approvals, patent, trademarks, copyright and concessions

The Group secures various government approvals as part of the normal course of its business. As of the date of this report, the Group have obtained, or are in the process of obtaining, all governmental approvals, permits and licenses issued by the appropriate government agencies or authorities necessary to operate their respective businesses.

The Group believe that they have all the material permits and licenses necessary to operate their respective businesses as currently conducted and that such permits and licenses are valid and subsisting.

The Group have also secured business permits from the relevant local government units where their facilities are located and will be regularly renewed by the Group.

Patent

The Parent Company has four (4) patent registrations with the Intellectual Property Office of the Philippines (“IPO”). These registrations are maintained in accordance with applicable regulations, including the payment of annual fees required by the IPO commencing on the fifth (5th) year from publication of the patent application.

The inventions subject of these patent registrations are used in the Parent Company’s geothermal field and plant operations, specifically in relation to its fluid collection and reinjection system and geothermal wells. Details of the patents are as follows:

INVENTION	Registration No.	Expiration Dates
Continuous On-line Steam Purity Monitoring System	1-2007-000448	October 31, 2027
Declogging Tool	1-2013-000385	May 29, 2033
Versatile Tapping Machine	1-2013-000387	June 6, 2033
Improved Thermowell	1-2013-000386	June 20, 2033

Trademarks

EDC and its subsidiaries have fifteen (15) trademarks registered with the IPO. These registrations are maintained in accordance with applicable regulations, including the submission of renewal registrations and Declarations of Actual Use of the trademark to the IPO.

Details of these trademarks are as follows:

No.	TRADEMARK	Registration Number	Registered Date	Renewal Date
1	BAC-MAN ENERGY DEVELOPMENT CORPORATION, BEDC AND DEVICE 	4-2012-501430	December 27, 2012	December 27, 2032
2	BAC-MAN GEOTHERMAL, INC. 	4-2010-00501269	November 8, 2012	November 8, 2032
3	BAC-MAN GEOTHERMAL INC., BGI AND DEVICE 	4-2012-501423	June 25, 2015	June 25, 2025
4	BGI 	4-2010-501272	May 5, 2011	May 5, 2031

No.	TRADEMARK	Registration Number	Registered Date	Renewal Date
5	ENERGY DEVELOPMENT CORPORATION AND LOGO 	4-2008-010584	February 23, 2009	February 23, 2029
6	EDC EDC	4-2008-011967	March 16, 2009	March 16, 2029
7	ENERGY DEVELOPMENT CORPORATION ENERGY DEVELOPMENT CORPORATION	4-2008-011964	June 15, 2009	June 15, 2029
8	EDC GEOTHERMAL CORP., EGC AND DEVICE 	4-2012-00501422	December 13, 2012	December 13, 2032
9	EDC WIND ENERGY HOLDINGS INC., EWEHI AND DEVICE 	4-2012-501441	November 8, 2012	November 8, 2032
10	EDC BURGOS WIND POWER CORPORATION, EBWPC AND DEVICE 	4-2012-00501431	December 20, 2012	December 20, 2032
11	GCGI GCGI	4-2010-501265	May 5, 2011	May 5, 2031
12	GREEN CORE GEOTHERMAL INC., GCGI AND DEVICE 	4-2012-501424	November 8, 2012	November 8, 2032

No.	TRADEMARK	Registration Number	Registered Date	Renewal Date
13	GREEN CORE GEOTHERMAL, INC. GREEN CORE GEOTHERMAL, INC.	4-2010-501262	May 5, 2011	May 5, 2031
14	UNIFIED LEYTE GEOTHERMAL ENERGY INC., ULGEI AND DEVICE 	4-2012-501427	August 22, 2013	August 22, 2033
15	BINHI LOGO 	4-2023-525822	October 3, 2023*	-

* Awaiting issuance of the Certificate of Registration from the IPO.

Copyright

The Parent Company has a registered copyright for the book, BINHI Tree for the Future, which was registered on March 31, 2019. The book chronicles the journey of the BINHI team to search and rescue ninety-six (96) threatened native tree species. The book aims to educate people about the importance of the threatened native tree species in the Philippines.

The Parent Company seeks to protect its intellectual property rights by registering its intellectual properties and incorporating adequate safeguards in its agreements with third parties.

As for the other intellectual property rights that the Parent Company needs but does not own, the Parent Company is generally granted a worldwide, royalty-free, perpetual, irrevocable license to exploit any commissioned work, procured item, or incorporated items, including, any and all copyrights, patents, designs, trade secrets, trademarks or other intellectual property rights, that the Parent Company deems appropriate. Contracting parties are likewise required to warrant against infringement of intellectual property rights of any third party.

Concessions

The Group is the holder of five (5) Geothermal Renewable Energy Service Contracts (“GRES-Cs”) and the corresponding DOE Certificates of Registration as an RE Developer for the following geothermal projects:

- 1) Tongonan Geothermal Project;
- 2) Southern Negros Geothermal Project;
- 3) Bacon-Manito Geothermal Project;
- 4) Mt. Apo Geothermal Project; and
- 5) Northern Negros Geothermal Project

These contract areas are located in Luzon, Leyte, Negros, and Mindanao. The table below provides a summary of the Group's geothermal projects:

Contract Area	Expiry of GRESC	Project	Installed Capacity ⁵ (in MWe)	Product	Expiration of Offtake Agreement	Minimum take-or-pay Capacity (in GWh/yr)	Plant Owner	Expiry of GOC
Tongonan Geothermal Project	2031*	Tongonan	123.000	Steam and Electricity	2031 (GRSC) ⁶ 2040 (PSAs)		GCGI ⁷	2037 ⁸
		Upper Mahiao	107.580 ⁹	Steam and Electricity			EDC	
		Malitbog	155.076 ¹⁰	Steam and Electricity			EDC	
		Mahanagdong	198.135	Steam and Electricity			EDC	
		Optimization	37.000	Steam and Electricity			EDC	
Southern Negros Geothermal Project	2031*	Palinpinon I	112.500	Steam and Electricity	2031 (GRSC) ¹¹ 2040 (PSAs)		GCGI ⁷	2037 ⁸
		Palinpinon II	60.000 ¹²	Steam and Electricity	2031 (GRSC) ¹¹		GCGI ⁷	2037 ⁸
		Nasulo	49.370	Steam and Electricity	2033 (PSA)		EDC	
Bacon-Manito Geothermal Project	2031*	Bac-Man I	120.000 ¹³	Steam and Electricity	2025 (SSA) ¹⁴ 2037 (PSAs)	788.4	BGI ¹⁵	2037 ⁸
		Bac-Man II	20.000	Steam and Electricity	2025 (SSA) ¹⁶	131.4	BGI ¹⁵	2037 ⁸
Mt. Apo Geothermal Project	2042 ¹⁷	Mindanao I	54.240	Steam and Electricity	2025 (PSAs)		EDC	
		Mindanao II	54.240	Steam and Electricity	2024 (PPA)	199.0	EDC	
		Mindanao III	3.669	Steam and Electricity			EDC	
Total			1,094.810			1,118.8		

*Extendible for another 25 years or until 2056

⁵ Based on the COCs or Provisional Authorities to Operate ("PAO") issued by the ERC, where "installed nameplate capacity" is defined as "full-load continuous gross capacity of a unit under specified conditions, as calculated from the electric generator nameplate based on the rated power factor xxx" pursuant to ERC Resolution No. 16, Series of 2014.

⁶ The GRSC for Tongonan commenced upon take-over of the plants by GCGI.

⁷ On October 23, 2009, the Palinpinon and Tongonan geothermal power plants were turned over to GCGI, which won the PSALM's auction of the said plants on September 2, 2009.

⁸ Renewable for another 25 years.

⁹ Does not include Unit 1 and Unit 3's OEC 32 (units were offline during ERC's technical inspection held in October 2024).

¹⁰ Does not include Unit 2 (unit was offline during ERC's technical inspection held in October 2024).

¹¹ The GRSC for Palinpinon I & Palinpinon II commenced upon take-over of the plants by GCGI.

¹² Palinpinon-2 includes Sogongon 1, Sogongon 2 and Okoy 5 GPPs. PAO for Sogongon 1 & 2 was issued on October 29, 2024 while PAO for Okoy 5, integrated in Palinpinon-1 GPP PAO, was issued on October 29, 2024; does not include 20-MW Nasuji GPP (on preservation mode).

¹³ Based on Dependable Capacity of 60 MW per unit, as indicated in the PAO issued by the ERC on November 11, 2024.

¹⁴ On June 1, 2018, EDC and BGI entered into an interim agreement for the supply of steam for Bac-Man I Geothermal Power Plants effective from the date of expiration of the SSA until the new SSA takes effect or December 25, 2020, whichever is earlier. On December 24, 2020, the term of such interim agreement was extended for another three (3) years, or until December 25, 2023. On December 22, 2023, this was further extended from December 25, 2023 to December 25, 2024 or until the new SSA takes effect, whichever is earlier. On December 20, 2024 this was further extended from December 25, 2024 to June 25, 2025 or until the new SSA takes effect, whichever is earlier.

¹⁵ On September 3, 2010, the Bac-Man 1 and Bac-Man II geothermal power plants were turned over to BGI, which won the PSALM's auction of the said plants on May 5, 2010.

¹⁶ On April 30, 2019, EDC and BGI entered into an interim agreement for the supply of steam for Bac-Man II Cawayan Unit effective from the date of expiration of the SSA until the new SSA takes effect or December 25, 2020, whichever is earlier. On December 24, 2020, the term of such interim agreement was extended for another three (3) years, or until December 25, 2023. On December 22, 2023, this was further extended from December 25, 2023 to December 25, 2024 or until the new SSA takes effect, whichever is earlier. On December 20, 2024 this was further extended from December 25, 2024 to June 25, 2025 or until the new SSA takes effect, whichever is earlier.

¹⁷ Includes a 25-year extension period to GRESC.

On May 8, 2012, EDC, through its subsidiaries GCGI and BGI, secured three (3) Geothermal Operating Contracts (“GOCs”), each with a twenty-five (25) year contract period expiring in 2037 and renewable for another twenty-five (25) years, covering the following power plant operations:

- 1) Tongonan Geothermal Power Plant under DOE Certificate of Registration No. GOC 2012-04-038;
- 2) Palinpinon Geothermal Power Plant under DOE Certificate of Registration No. GOC 2012-04-037; and
- 3) Bacon-Manito Geothermal Power Plant under DOE Certificate of Registration No. GOC 2012-04-039.

The Parent Company also holds Geothermal Service Contracts (“GSC”) for the following prospect areas:

Project	Location	GSC Owner	Pre-development period Expiration	GSC Expiration*
1) Mt. Zion 2 Geothermal Project**	North Cotabato/ Davao del Sur	EDC	2028	2040
2) Amacan Geothermal Project**	Compostela Valley	EDC	2025	2041
3) Mainit-Sadanga Geothermal Project	Sadanga and Bontoc, Mountain Province	EDC	2028	2046
4) Mt. Sembrano Geothermal Power Project	Pililla and Jalajala Rizal; Pangil and Pakil Laguna	EDC	2030	2048
5) Buguias-Tinoc Power Project	Buguias and Tinoc, Ifugao	EDC	2030	2048

* Twenty-five (25)-year contract period, renewable for another twenty-five (25) years

** Converted to the new RE contract template per DOE Department Circular No. DC2019-10-0013

As of December 31, 2024, the Group holds fifteen (15) Wind Energy Service Contracts (“WESC”) with the DOE, each with a twenty-five (25)-year contract period. The WESCs cover the following:

Project	WESC Owner	DOE Certificates of Registration	WESC Expiration*
1) 150 MW Wind Project in Burgos, Ilocos Norte	EBWPC	WESC 2009-09-004	2034
2) 84 MW Wind Project in Pagudpud, Ilocos Norte	EPWPC	WESC 2010-02-040	2035
3) Burgos 1 Wind Project in Burgos, Ilocos Norte	EBBWPC	WESC 2013-12-063	2038
4) Burgos 2 Wind Project in Burgos, Ilocos Norte	EPBWPC	WESC 2013-12-064	2038
5) Iloilo 1 Wind Project in Batad and San Dionisio, Iloilo	IIREC	WESC 2014-07-078	2039
6) Burgos 3 Wind Project in Burgos and Pasuquin, Ilocos Norte	EDC	WESC 2015-09-085	2040
7) Burgos 4 Wind Project in Burgos, Ilocos Norte	EDC	WESC 2015-09-086	2040
8) Ilocos Norte Wind Power Project in Burgos and Pasuquin, Ilocos Norte	EDC	WESC 2021-01-147	2046
9) Pasuquin Wind Power Project in Pasuquin Ilocos Norte	EDC	WESC 2021-01-148	2046
10) Guimaras Onshore Wind Project	EDC	WESC 2022-03-199	2047
11) Guimaras 1 Offshore Wind Project	EDC	WESC 2022-05-202	2047
12) Iloilo-Guimaras Offshore Wind Project	EDC	WESC 2022-05-203	2047
13) Guimaras-Negros Occidental Offshore Wind Project	EDC	WESC 2022-05-204	2047
14) Laguna 1 Onshore Wind Project	EDC	WESC 2022-10-224	2047
15) Negros Occidental Offshore Wind Project	EDC	WESC 2022-10-225	2047

* Renewable for another twenty-five (25) years

The Group holds two (2) Solar Energy Service Contracts (“SESCs”) with the DOE, each with a twenty-five (25)-year contract period. The SESC cover the following:

Project	Installed Capacity (in MW)	SESC Owner	DOE Certificates of Registration	SESC Expiration*
1) 6.82 MW Burgos Solar Project in Burgos, Ilocos Norte	6.82	EDC	SESC No. 2014-07-088	2039
2) Gaisano Iloilo, Iloilo City Solar Rooftop Project	1.03	ESPC	SESC No. 2016-11-352	2042

* Renewable for another twenty-five (25) years

Effect of existing or probable governmental regulations on the business

The Parent Company and its subsidiaries (collectively, the “Group”) are subject to significant regulation under various laws and regulations, including Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 (“EPIRA”) and Republic Act No. 9513 or the Renewable Energy Act of 2008 (“RE Act”). The regulatory framework of the energy industry has been constantly evolving as policies continue to develop, be challenged, and/or modified. Any such change could potentially affect aspects of the Group’s present and future operations or increase the Group’s cost of compliance, which could materially impact its fiscal position.

The Group’s operating RE projects must comply with the requirements under various policies, rules, and regulations of the Department of Energy (“DOE”) and the Energy Regulatory Commission (“ERC”) to maintain the validity of their permits, licenses, and other authorizations. Occasionally, legal and regulatory issues reach the Supreme Court for resolution, further shaping the regulatory framework of the energy industry.

In recent years, the Government has sought to implement measures designed to establish a more competitive energy market to further accelerate the utilization of renewable energy.

In 2019, the DOE promulgated Department Circular (“DC”) No. DC2019-12-0016 or the rules governing the establishment of the Renewable Energy Market (“REM”) to facilitate compliance with the Renewable Portfolio Standards (“RPS”), which mandates electricity suppliers to source an agreed portion of their electricity supply from eligible RE resources. The REM enables the trading of RE Certificates (“RECs”) corresponding to the volume of energy generated from eligible RE facilities for RPS compliance. In line with this, the DOE issued DC2024-12-0031 declaring the full commercial operations of the REM on 6 December 2024.

In support of the approval of the 2020-2040 National Renewable Energy Program, which sets out the RE targets for the period, the DOE issued DC2022-09-0030 adjusting the minimum annual RE percentage increment under the RPS On-Grid Rules from 1% to 2.52% starting in 2023. In addition, the issuance of DC2019-12-0018 or the General Framework Governing the Provision and Utilization of Ancillary Services in the Grid clarified the rules on participation in the ancillary service market.

In 2022, the ERC released the Amended Open Access Transmission Service (“OATS”) Rules to ensure a more transparent electricity market along with the provision of safe, reliable, and efficient operation of the power system. In particular, the OATS Rules set out the services and responsibilities of the Transmission Network Provider (i.e., NGCP) as specified in the 2016 Philippine Grid Code and the Wholesale Electricity Spot Market (“WESM”) Rules.

In October 2022, the DOE issued DC2022-10-0031, which granted all generating units that utilize RE a “preferential dispatch” status in the WESM. In the same month, the ERC promulgated Resolution No. 11, Series of 2022, or the Rules Governing Distributed Energy Resources to promote the development

and utilization of smaller RE power sources and set the guidelines, standards, licensing requirements, pricing methodologies, and commercial arrangements for such facilities.

A landmark policy in 2022 was the amendment of Section 19 of the IRR of the RE Act, as encapsulated in DOE DC2022-11-0034, which lifted the foreign ownership restriction in solar, wind, hydro, ocean or tidal energy projects. Also in 2022, DC2022-11-0039 declared the commercial operation of the WESM in Mindanao by 26 January 2023.

In 2023, the DOE issued DC2023-04-008 prescribing the policy for Energy Storage System (“ESS”) and DC2023-05-0013 adopting a “whole government approach” to develop Offshore Wind and its permitting requirements from the local government units for integration in the Energy Virtual One-Stop Shop (“EVOSS”).

Similarly, in 2023, ERC issued Resolution No. 16 prescribing the guidelines for the procurement, execution, and evaluation of Power Supply Agreements (“PSAs”) by distribution utilities (“DUs”). Pursuant to this resolution, DUs are given the option to procure either a Financial or Physical PSA in implementing their Power Supply Procurement Plan.

ERC Resolution No. 17, Series of 2023, or the 2023 Revised COC Rules, ushered in the non-expiration of the Certificate of Compliance (“COC”), which allows generation facilities to maintain their respective COCs through a one-time evaluation process or apply for a one-year Provisional Authority to Operate pending the completion of other requirements.

Toward the end of 2023, the DOE declared the commercial operation of the Reserve Market with the issuance of DC2023-09-0026. Participating generation companies were directed to complete their accreditations and comply with other regulatory requirements to fully implement the commercial operation of the Reserve Market.

Further, in 2023, the DOE issued DC2023-10-0029 providing an auction round for Non-FIT Eligible RE Technologies such as geothermal, impounding and pumped-storage hydro resources and other emerging technologies after the introduction of the Green Energy Auction Program (“GEAP”). The GEAP seeks to address the price volatility related to the procurement of RE supply in the market.

In September 2024, the DOE issued DC2024-09-0028 which established a settlement mechanism through the WESM using a prescribed formula to arrive at the total GEA amount for the winning bids. The total revenues attributable to the GEA winning bidders are based on actual energy delivered, available capacity, and the corresponding Non-FIT Green Energy Tariff for each technology. Finally, in November 2024, the DOE released the Notice of Auction along with the Terms of Reference for the GEA 3.

In support of the DOE’s efforts to conduct the third round of the GEAP, the ERC issued Resolution No. 19 in December 2023 adopting the Price Determination Methodology for Non-Feed-in-Tariff (“FIT”) Eligible RE Technologies, marking the start of the auction round.

In March 2024, the DOE commenced the commercial operations of Retail Competition and Open Access (“RCOA”) and Green Energy Option Program (“GEOP”) in the Mindanao Grid through DC2024-03-0009, allowing all electricity end-users, whose average peak demand falls within the threshold set by the DOE, to participate in the GEOP on a voluntary basis.

ERC also promulgated in August 2024 ERC Resolution No. 13, Series of 2024 or “A Resolution Adopting the Omnibus Rules for Customer Choice Programs in the Retail Market”, which consolidates all rules that govern all participants in the retail electricity market and the implementation of all customer choice programs such as the RCOA, GEOP, and the Retail Aggregation Program.

To further encourage RE projects, the DOE issued DC2024-06-018 or the Revised Omnibus Guidelines Governing the Award and Administration of Renewable Energy Contracts and the Registration of Renewable Energy Developers in 2024, which streamlined the processes in the award of RE contracts with enhancements in the EVOSS to allow faster processing of applications for permits and licenses. The Group anticipates the release of more relevant policy issuances and guidelines that will further promote RE development in the country. It continues to closely monitor significant proposed legislation in Congress and actively participates in the crafting of necessary administrative policies, rules and regulations during public hearings and consultations.

In addition to the RE-related laws and regulations, environmental laws and regulations also affect the Group's operations from geothermal resource management to operation and maintenance of wells and power plants. The coverage includes the generation, transport, storage, and/or disposal of waste materials and hazardous substances. These laws, rules, and regulations also impact on the rehabilitation, repair, or construction of facilities, particularly in cost and time.

With Republic Act No. 11995 or the Philippine Ecosystem and Natural Accounting System Act, which was passed into law in 2024, the government institutionalized an internationally accepted environmental-economic accounting framework mandating all government agencies, such as the Department of Environment and Natural Resources ("DENR") and the DOE, to consider natural capital in their decision-making and policy issuances.

All these recent laws, rules, and regulations have a significant impact on the business of the Group and its investment strategies in the local and international markets. New laws and regulations on energy, safety, health, environment, and other legal and regulatory developments related to climate change awareness and decarbonization in the energy sector may further require additional capital expenditures and operating expenses to facilitate reporting and regulatory compliance.

Development activities

The Group follows the full cost method of accounting for its exploration costs determined based on each service contract area. Under this method, all exploration costs relating to each service contract are accumulated and deferred under the "Exploration and evaluation assets" account in the consolidated statement of financial position pending the determination of whether the wells have proven reserves. Capitalized expenditures include costs of license acquisition, technical services and studies, exploration drilling and testing, and appropriate technical and administrative expenses. Project development costs are expensed as incurred until management determines that the project is technically, commercially, and financially viable, at which time, project development costs are capitalized. Project viability generally occurs in tandem with management's determination that a project should be classified as an advanced project, such as when favorable results of a system impact study are received, interconnected agreements are obtained, and project financing is in place.

Amount spent on Development Activities (“DA”) and its percentage to revenue:

(Amounts in Pesos)	2024	2023	2022
Exploration and Evaluation Assets	493,404,385	116,232,331	72,159,209
Palayan Binary Power Project	1,230,480,499	1,047,411,844	2,656,701,855
Mindanao 3 Binary Power Plant Project	–	1,462,139	522,230,823
Tanawon Project	1,942,999,904	2,513,830,567	391,050,211
Mahanagdong Binary Project	2,500,837,281	2,888,639,019	20,994,745
Northern Negros Geothermal Project	1,086,946,045	1,273,393,967	3,747,386
Aya Pumped-Storage Hydroelectric Power Project	89,030,319	225,092,063	125,078,309
Battery Energy Storage System	1,764,460,761	1,902,877,068	6,112,863
Total DA	9,108,159,194	9,968,938,998	3,798,075,401
Revenue	46,148,666,254	47,171,649,795	48,700,352,764
Percentage of DA to Revenue	19.7%	21.1%	7.8%

Costs and effects of compliance with environmental laws

The Group’s operations are subject to extensive, evolving and increasingly stringent safety, health and environmental laws and regulations. These laws and regulations include but are not limited to the Philippine Clean Air Act (or RA 8749), Philippine Clean Water Act (or RA 9275), Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990 (or RA 6969), Ecological Solid Waste Management Act (or RA 9003), the DOE’s Renewable Energy Safety Health and Environment Rules and Regulations, and the Department of Labor and Employment’s (“DOLE”) Occupational Safety and Health Standards, as amended, i.e., RA 11058 and its Implementing Rules and Regulations (“IRR”) (or Department Order 198-18), The Fire Code of the Philippines (or RA 9514) and its 2019 Revised IRR, and other regulations of bureaus related with transportation of chemicals, and of the Philippine National Police. Such legislations address, among other things, air and ambient noise emissions, wastewater discharges, and solid wastes management, as well as the generation, handling, storage, transport, treatment and disposal of toxic and hazardous materials and wastes. They also regulate workplace conditions within power plant facilities and employee exposure to hazardous work environments. In particular, the Occupational Safety and Health Standards were formulated to safeguard workers’ social and economic well-being, as well as their physical safety and health. In addition, EDC also complies with other laws and standards, such as the Revised Forestry Code of the Philippines (or PD 705), the National Integrated and Protected Areas System Act (or RA 7586), Geothermal Reservation Law (Executive Order No. 223), Wildlife Resources Conservation and Protection Act, Indigenous Peoples Rights Act (or RA 8371), Climate Change Act (or RA 9729) and the International Finance Corporation (“IFC”) / World Bank environmental and social safeguards.

The total cost incurred by the Group to comply with environmental laws in 2024 was approximately ₱151.5 million. Overall, the Group achieved full and continuing compliance with applicable environmental legal and regulatory requirements, resulting in the absence of Notice of Violation and fines/ penalties from the DENR.

Employees and labor relations

As of December 31, 2024, the Group has 1,616 plantilla employees consisting of 45 Executives, 1,550 managerial, supervisory, professional, and technical employees, and 21 rank and file employees. In particular, the distribution of employees by location, with the headcount for EDC, GCGI, BGI, EBWPC, including from First Gen, First Gas Power Corporation (“FGas”), and FPH (as seconded to EDC) are as follows:

Main Location	EDC	GCGI	BGI	EBWPC	FG Hydro	FPH/ First Gen/ FGas	Total
Head Office	556	1	2	–	4	11	574
Bac-Man	107	1	42	–	–	–	150
Leyte	420	25	–	1	–	–	446
Mt. Apo	126	–	–	–	–	–	126
Negros	189	35	–	–	–	–	224
Ilocos Norte	2	–	–	22	–	–	24
Pantabangan	–	–	–	–	72	–	72
Total	1,400	62	44	23	76	11	1,616

Per Job Category:

Main Location	Executive	Managerial, Supervisory, Professional and Technical	Rank and File	Total
Head Office	43	524	7	574
Bac-Man	–	150	–	150
Leyte	2	444	–	446
Mt. Apo	–	126	–	126
Negros	–	224	–	224
Ilocos Norte	–	24	–	24
Pantabangan	–	58	14	72
Total	45	1,550	21	1,616

Anticipated No. of Plantilla Employees by end of 2025:

Main Location	Executive, Managerial, Supervisory, Professional and Technical	Rank and File	Total
Head Office	623	7	630
Bac-Man	166	–	166
Leyte	439	–	439
Mt. Apo	125	–	125
Negros	213	–	213
Ilocos Norte	24	–	24
Pantabangan	58	14	72
Total	1,648	21	1,669

As of December 31, 2024, EDC's subsidiaries, GCGI, BGI, EBWPC and FG Hydro employed the following number of employees:

Subsidiary	Executive	Managerial, Supervisory, Professional and Technical	Rank and File	Total
GCGI	–	62	–	62
BGI	1	43	–	44
EBWPC	1	22	–	23
FG Hydro	–	7	2	9
Total	2	134	2	138

EDC, BGI and GCGI have two (2) retirement plans - defined benefit retirement plan for employees hired before July 1, 2016 and defined contribution retirement plan for employees hired on or after July 1, 2016. The plans cover regular employees and are administered by a trustee bank. The Group also provides post-retirement medical and life insurance benefits, which are unfunded.

Aside from mandated statutory benefits, the Parent Company provides additional benefits such as the grant of personal leaves (that employees may avail for personal reasons such as attending to personal matters), interest-free company loans, educational refund, uniform allowance, and communications allowance. The Parent Company also provides employees with a Group Hospitalization Insurance Plan and a Group Life Accident Insurance Plan. In addition, the Parent Company provides annual leave entitlements to employees upon receiving their regular employment status.

FG Hydro has distinct funded, non-contributory, defined benefit retirement plan, covering all permanent employees and administered by its retirement committee.

There are ten (10) labor unions within the Parent Company, each representing a specific collective bargaining unit allowed by law. They are distributed in the different locations as follows:

No.	Union Name	Site	No. of Members*
1	Bacman Geothermal Production Field Professional and Technical Employees Union	Bac-Man	49
2	Mt. Apo Professional and Technical Employees' Union	Mt. Apo	44
3	Leyte Geothermal Professional and Technical Employees Union	Leyte	168
4	Negros EDC Professional and Technical Association – Associated Professional, Supervisory, Office and Technical Employees Union	Negros	91
5	EDC-BGPF Supervisory Employees' Union	Bac-Man	22
6	Bacman Geothermal Inc. - Professional & Technical Employees Coalition	Bac-Man	17
7	Bacman Geothermal Inc. - Power Plant Supervisory Employees Union	Bac-Man	8
8	Mt. Apo Supervisors' Union	Mt. Apo	20
9	Negros Supervisory Union	Negros	16
10	Leyte Geothermal Supervisory Employees Union	Leyte	51
TOTAL			486

**This does not include agency fee paying members*

These unions enter into regular Collective Bargaining Agreements with the Parent Company as regards number of working hours, compensation, employee benefits, and other employee entitlements as provided under Philippine Labor Laws.

Management believes that the Group's current relationship with its employees is generally good. It has not experienced in the last fifteen (15) years any strikes, lockouts, or work stoppages as a result of labor disagreements.

Factors affecting the Group's results of operations

The Group's relationship with NPC

As per the Parent Company's PPAs, NPC is obligated to pay for a minimum quantity of electricity pursuant to its take-or-pay and minimum offtake energy obligations. As of December 31, 2024, all contracts with NPC have expired. The last one, the Mindanao II Power Purchase Agreement, expired on June 17, 2024.

Impact of coal

The Philippine energy landscape remains coal dominant and reliant. According to the 2023 DOE Power Statistics released in July 2024, coal represents 62.5% of total gross generation and 43.8% of total installed capacity. To be specific, 73,754 GWh out of the 118,004 GWh total gross power generation and 12,406 MW of the total capacity of 28,291 MW come from coal¹⁸. Renewable energy ("RE") maintained its 22% share, indicating no significant growth in RE generation despite ongoing energy transition efforts. While natural gas comprises 14% of the total gross generation of the country.

The country imports 90.48% of its coal of which 97.7% comes from Indonesia¹⁹. Overall, the global coal market has stabilized after the pandemic in 2021 and the Russia-Ukraine war in 2022. Moving forward, coal prices have been greatly driven by demand from China, India and Japan in 2023 with imports around 481MW, 248MT, and 167MT respectively. While the largest exporters were Indonesia, Australia, and Russia²⁰.

Coal settled at average price of 115.40 USD/MT in 2024 compared to the average of 129.86 USD/MT in 2023²¹. This stabilization is still much higher compared to pre-pandemic coal prices and such prices are expected to remain elevated until the end of 2025. However, coal prices have recently had low price movements due to overall decreased market activity, especially from the largest importers China and India. The continuous slide of Chinese and Indian currencies has also contributed to the stagnant Asian thermal coal market, with increased import costs being much less appealing to market participants. Moreover, geo-political events and the global transition to renewable energy has greatly affected the overall demand for coal.

However, with the National Renewable Energy Program and under the DOE Philippine Energy Plan 2023-2050, it is estimated for coal to have a lower share by year 2050 for the power generation and installed capacity with 14.05% and 9.76% respectively. As part of the commitment to a cleaner energy transition, the DOE has set its long-term goal of 35% RE Share in the generation mix by 2030 and 50% by 2040.

First Gen and its subsidiaries, including EDC, continues its leadership in renewable energy generation, surpassing competitors in total MWh output. The company's diverse mix of geothermal, hydro, wind, and solar energy supports the country's shift towards a cleaner, more sustainable energy future.

¹⁸ DOE 2023 Power Statistics

¹⁹ DOE Philippine Energy Plan 2023-2050

²⁰ International Energy Agency Coal Executive Summary 2024

²¹ Platts Coal Reports

First Gen and its subsidiaries recorded the highest renewable energy (RE) generation in 2024, with 8,271,506 MWh which is 30% of the country's total of 27,235,360 MWh. It remains to be the largest source of RE with its capacity mostly coming from baseload geothermal power. Meanwhile, wind and solar make up smaller but growing portions of the RE mix, reflecting the ongoing diversification of energy sources.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

The Group's wind and solar operations trades with one key customer, TransCo, a government-owned-and-controlled corporation. Any failure on the part of TransCo to pay its obligations to the Group would significantly affect the Group's wind and solar operations. As a practice, the Group monitors closely its collections from TransCo and may charge interest on delayed payments following the provision of the REPA. Other customers of the Group include distribution utilities, electric cooperatives, industrial customers, and contestable customers. Credit risk is controlled by the application of credit approval limit and monitoring procedures. It is the Group's policy to enter into credit-worthy parties to mitigate any significant concentration of credit risk. Trade receivables balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant. The maximum exposure of trade receivable is equal to the carrying amount.

Financial instruments and cash deposits

With respect to the credit risk arising from other financial assets of the Group, which comprise of cash and cash equivalents excluding cash on hand, financial asset at FVPL, short-term investments, other receivables, financial assets at FVOCI, and due from related party, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Credit risk from these instruments is mitigated by the short-term and/or liquid nature of its cash investments mainly in bank deposits and placements, which are placed with financial institutions and entities of high credit standing.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's exposure to foreign currency risk is mainly from the financial assets and liabilities that are denominated in US dollar (US\$). This primarily arises from future payments of foreign currency-denominated loans and other commercial transactions and the Group's investment in ROP Bonds.

The Group's exposure to foreign currency risk to some degree is mitigated by some provisions in the Group's GRESCs, SSAs, PPAs and REPA. The service contracts allow full cost recovery while the sales contracts include billing adjustments covering the movements in Philippine peso and the US\$ rates, US Price and Consumer Indices, and other inflation factors.

To mitigate further the effects of foreign currency risk, the Group will prepay, refinance or hedge its foreign currency denominated loans, whenever deemed feasible. The Group also enters into derivative contracts to mitigate foreign currency risk.

Foreign Exchange Rate Fluctuations

The Group's accounting records, and financial statements are prepared in Philippine Peso (except for EBWPC, which is reporting in US Dollar effective January 1, 2016) even as some of its payments for debt service and major materials and services are denominated in US Dollar. Foreign exchange rate fluctuations affect the cost of borrowings, as well as the peso value of such in the Group's balance sheet.

17.6% of the Group's total long-term debt as of December 31, 2024, are foreign currency-denominated, all denominated in USD. Any USD movement therefore affects the debt portfolio of the Group.

Any volatility in the peso-dollar exchange rate also impacts the Group in terms of revenue and its operating and capital expenditures. As the peso depreciates, revenue increase as a part of EDC's sales agreements have included as part of the inflator the peso-dollar exchange rate together with the price movement of imported materials, services, and equipment. Conversely, as the peso appreciates, revenue and operating costs decrease.

In 2024 and 2023, the Group recorded foreign exchange gains (losses) of ₱51.2 million and ₱10.3 million, respectively.

Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates, derivative assets, derivative liabilities and debt instruments at FVOCI. The interest rates of some of the Group's long-term borrowings and debt instruments at FVOCI are fixed at the inception of the loan agreement.

The Group regularly evaluates its interest rate risk by taking into account the cost of qualified borrowings being charged by its creditors. Prepayment, refinancing or hedging the risks are undertaken when deemed feasible and advantageous to the Group.

*Inflation and Interest Rates*²²

The Philippines' average inflation rate decreased from 6.0% in 2023 to 3.2% in 2024.

The Bangko Sentral ng Pilipinas ("BSP") has reduced its policy rates three (3) times in 2024, for a total cumulative decrease of 0.75%. BSP's overnight reverse repurchase facility ended at 5.75% in 2024 from 6.5% in 2023. The overnight deposit facility and the overnight lending facility rates—which establish the floor and the ceiling of the interest rate corridor—also decreased by 0.75% to 5.25% and 6.25%, respectively, as of end December 2024. The Monetary Board's decision is based on its assessment of the country's economic outlook and inflation environment, and its price and financial stability objectives.

Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and sourcing flexibility through the use of available financial instruments. The Group manages its liquidity profile to meet its working and capital expenditure requirements and service debt obligations. As part of the liquidity risk management program, the Group regularly evaluates and considers the maturity of both its financial investments and financial assets (i.e., trade receivables, other financial assets) and resorts to short-term borrowings whenever its available cash or matured placements is not enough to meet its daily working

²² Source: The data here were based on the Philippine Statistics Authority and BSP websites

capital requirements. To ensure immediate availability of short-term borrowings, the Group maintains credit lines with banks on a continuing basis.

Liquidity risk arises primarily when the Group has difficulty collecting its receivables from its one key customer, TransCo. Other instances that contribute to its exposure to liquidity risk are when the Group finances long-term projects with internal cash generation and when there is credit crunch especially at times when the Group has temporary funding gaps.

Item 2. Properties

The net book value of the Group's property, plant and equipment amounted to ₱138,574.0 million as of December 31, 2024.

Power Plants

EDC

Leyte

EDC, at the parent level, owns and operates geothermal power plants in Leyte, including optimization plants with a total installed capacity of 497.791 MW. The 107.580 MW Upper Mahiao project and 155.076 MW Malitbog project is located on the Greater Tongonan reservoir in Kananga, Leyte, while the 198.135 MW Mahanagdong Binary project is located in the City of Ormoc, Leyte, on the Mahanagdong reservoir. The Leyte optimization project, with a current installed capacity of 37 MW, use the existing geothermal energy resources of all of EDC's existing projects in Leyte. The optimization plants are situated near the Tongonan I, Malitbog and Mahanagdong power plants. These power plants were built pursuant to the build-operate-transfer contract and were transferred to EDC thereafter.

Nasulo

In July 2014, EDC completed the transfer of the 49.37 MW power plant in Northern Negros to Nasulo in Southern Negros, adjacent to its existing Palinpinon power plants. Since then, EDC operated the Nasulo Geothermal Power Plant located in Southern Negros. The transferred 49.37 MW plant installed in Nasulo utilizes 20 MW output from the Nasulo steamfield and the 20 MW which was previously supplied to Nasuji's 20 MW powerplant that was later put on preservation.

Mindanao I, II and III

Mindanao I and II, each having installed capacity of 54.24 MW, are being operated by EDC after the expiry of the BOT contract between EDC and Mindanao I Geothermal Partnership and Mindanao II Geothermal Partnership in June 2009. Mindanao II is located adjacent to Mindanao I in the Mt. Apo geothermal field in Cotabato, Mindanao.

Burgos Solar Farm

EDC also operates the 6.82 MW Burgos Solar Project (Phases 1 and 2). This solar farm is co-located with the Burgos Wind Project in Ilocos Norte.

GCGI

Palinpinon and Tongonan

Located in Valencia, Negros Oriental, the GCGI's Palinpinon geothermal power complex consists of two (2) power stations, Palinpinon I and II, which are approximately five kilometers apart. Commissioned in 1983, Palinpinon I comprises three (3) 37.5 MW steam turbines for a total rated capacity of 112.5 MW. Palinpinon II, on the other hand, consists of three (3) modular power plants: Nasuji, Okoy 5, and Sogongon. The 20 MW Nasuji, commissioned in 1993, is currently under preservation mode, while the 20 MW Okoy 5 was commissioned in 1994. Constructed in 1995, Sogongon consists of two (2) 20 MW units, Sogongon-1 and Sogongon-2.

Situated in Sitio Sambaloran, Barangay Lim-ao, Kananga, Leyte Province in Eastern Visayas, GCGI's Tongonan Geothermal Power Plant consists of three (3) 41 MW units, which began commercial operations in 1983.

Both the Palinpinon and Tongonan geothermal power plants are fueled by geothermal steam supplied by EDC.

BGI

Bac-Man I and II

Located in Bacon, Sorsogon City and Manito, Albay in the Bicol region, the Bac-Man Geothermal Power Plant facilities consist of two (2) steam power generating plant complexes. Bac-Man I facility originally included two (2) 55 MW units, which were both commissioned in 1993. Bac-Man II facility, on the other hand, originally consisted of two (2) 20 MW units namely, Cawayan (located in Barangay Basud) and Botong (located in Brgy. Osiao, Sorsogon City). Following the plant acquisition in 2010, BGI relocated the non-operational Botong equipment to Cawayan and rehabilitated the two (2) units at Bac-Man I facility. Bac-Man Geothermal Power Plant now operates with a re-rated capacity of two (2) 60 MW units in Bac-Man I and one (1) 20 MW unit (Cawayan) in Bac-Man II for a total gross capacity of 140 MW. EDC supplies the steam to the Bac-Man Geothermal Power Plants.

EBWPC

Burgos Wind

Located in the municipality of Burgos, Ilocos Norte, EBWPC hosts the 150 MW Burgos Wind Project. The Burgos wind farm is comprised of fifty (50) units of wind turbine generators, which spans across the three (3) barangays of Saoit, Nagsurot, and Poblacion. Each wind turbine is designed with a three 3 MW capacity, totaling 150 MW. Aside from the turbines, located also within the power plant compound is a substation that serves as the dispatch point of the electricity. A 43 km point-to-point connection asset from the Burgos substation to the Laoag substation owned by the NGCP transmits the electricity into the Luzon grid.

The Burgos Wind Farm started commercial operations in November 2014 and is operating under the feed-in-tariff regime.

EDC Siklab

Solar Rooftop

In January 2017, EDC Siklab, a wholly-owned subsidiary of EDC, started to generate electricity from its 1,030 kW solar rooftop system in Gaisano Capital's mall in La Paz District, Iloilo. As of December 31, 2024, EDC Siklab operates the solar rooftop systems in the following Gaisano Capital malls:

- La Paz, Iloilo (1,030 kW);
- Kalibo, Aklan (762 kW);
- Oton, Iloilo (614 kW);
- Passi, Iloilo (614 kW);
- Balasan, Iloilo (614 kW);
- Sogod, Southern Leyte (547 kW);
- Ormoc City (547 kW); and
- Sorsogon City (443 kW).

FG Hydro

PAHEP/ MAHEP

FG Hydro operates and maintains the 132 MW PAHEP/MAHEP. The 120 MW PAHEP is located at the foot of the Pantabangan dam and consists of two (2) generators, each capable of generating full load power of 60.40 MW. Each generator is coupled to a vertical shaft Francis Turbine that converts the kinetic energy of the water from the dam at a design head of 75 meters.

The electric power output of PAHEP is delivered to the Luzon Grid through a 13.8kV/230kV Ring Bus Switchyard, composed of two (2) 75 MVA transformers.

Located some seven (7) kms downstream of PAHEP is the 12 MW MAHEP. It uses a Kaplan turbine to convert the energy of the low head but high flow release of water from the Masiway re-regulating dam. The power output of MAHEP is delivered to the Grid through a switchyard mainly composed of a 15 MVA transformer, switching and protective equipment all owned by FG Hydro.

For both PAHEP and MAHEP, the power components owned and operated by FG Hydro are the power houses and generating equipment plus auxiliary systems, warehouses, lay down, and areas associated with the powerhouses. In addition, FG Hydro also owns the steel penstock and main step-up transformers at PAHEP. For MAHEP, the intake and trash rack machine as well as the main step-up transformer that include the 69kV switchyard equipment are owned by FG Hydro. The transmission facilities including the switchyard at PAHEP, are owned by NGCP.

The volume of water released from the Pantabangan reservoir is based on the Irrigation Diversion Requirement of the NIA. NIA operates and maintains the non-power components, which include the watershed, spillway, intake structures of PAHEP, and Pantabangan and Masiway reservoirs.

Land

The Group is the registered owner/ claimant of lands located in various parts of the Philippines. Based on the latest valuation of Santos Knight Frank (formerly, CB Richard Ellis Philippines), in December 2018 these lands were valued at around ₱1.4 billion.

As of December 31, 2024, the Group's landholdings include real estate properties in Bonifacio Global City in Taguig, Baguio City, and numerous parcels of land used for its geothermal operations in the cities of Ormoc, Bago, and Sorsogon and in the municipalities of Kananga, Leyte; Valencia, Negros Oriental; and Manito, Albay.

In Northern Luzon, lots affected by the EBWPC wind project in the municipalities of Burgos, Bacarra, Pasuquin and Laoag were either leased by EDC and EBWPC or expropriated accordingly and are currently being used for its wind and solar farm area and other facilities.

The following table sets out certain information regarding the EDC and its subsidiaries' landholdings:

Location/ Project	Parcels of Land	Under Expropriation	Leased	Acquired*
Fort Bonifacio	5	–	–	5
Baguio	1	–	–	1
Bacon-Manito Geothermal Project	48	3	7	38
Northern Negros Geothermal Project	124	19	54	51
Southern Negros Geothermal Project	97	2	14	81
Leyte Geothermal Project	110	13	18	79
Burgos Wind Project	2,147	1,622	525	–
Burgos Temfacil/ Admin Building	1	–	1	–
Met Mast Burgos 2	1	–	1	–
Pagudpud Wind Project	6	–	6	–
Burgos 1 Wind Project	1	–	1	–
Mindanao Geothermal Project	2	–	1	1
Total	2,543	1,659	628	256

* Includes both with title to EDC and for consolidation

Mortgage, liens or encumbrances

To the best of its knowledge, none of the properties owned by the Parent Company is subject to any mortgage, liens or encumbrances.

EBWPC entered into a limited recourse project financing ("PF") for its Burgos Wind Project ("BWP") in October 2014. The project's lenders have limited recourse to EDCs assets and rely primarily on EBWPC's cash flows for interest and principal repayment, with the project's assets, rights, and interests held as secondary collateral. As part of the project financing agreement, EBWPC entered into a mortgage agreement with Philippine National Bank, the onshore collateral agent. The mortgage covers all of the assets of EBWPC whether such assets now exist or at any time hereafter come into existence, or are now at any time hereafter acquired, and whether any such later acquisition is by way of addition thereto or substitution of any component part thereof, together with all the rights and interests therein.

In 2024, EBWPC and the BWP PF parties subsequently executed a Global Deed of Release and Termination, discharging each party of its obligations under the PF agreements and reassigning to the borrower all rights, title and interest in any collateral security or security interest previously created under the PF security documents.

The carrying amount of EBWPC's property, plant and equipment covered by the mortgage agreement amounted to nil and ₱13,450.1 million (US\$242.9 million) as of December 31, 2024 and 2023,

respectively. The total amount mortgaged as security is equivalent to its total assets amounting to nil and ₱17,283.7 million (US\$312.1 million) as of December 31, 2024 and 2023, respectively.

Leases

Other geothermal sites that have existing lease agreements generally have a mid-term lease and are used for access roads and drilling pads where the need to use the property is immediate, temporary, but renewable. Lease payments are usually paid in full for the whole duration of the contract at the start of the lease term. Transmission line lease agreements are long-term in nature and are always paid in full.

The following table provides details on the Group's leased properties:

Location/ Project	Parcels of land	Structures	Duration of Lease	Payment Terms	Amount of Lease (in ₱ millions)	Renewal Options
Northern Negros Geothermal Project	54	Dedicated point-to-point limited facilities	long-term	one time	0.27	perpetual easement
Southern Negros Geothermal Project	14	Pipelines, drilling pads and access roads	2/3/5/10 years	one time/ annual	0.30	renewable
Leyte Geothermal Project	18	Pad 4RD, rigs, machineries, pipe & pipelines and other equipment, building; city office	5/10/20/25 years	monthly/ 5 yr lump sum/ one time	9.22	renewable, with first option to buy
Bacon-Manito Geothermal Project	1	Road	25 years	one time	0.03	renewable, with first option to buy
Bacon-Manito Geothermal Project	1	Road	25 years	one time	0.09	renewable, with first option to buy
Bacon-Manito Geothermal Project	1	Parking Area	1 year	monthly	0.03	–
Bacon-Manito Geothermal Project	1	Air quality monitoring station	1 year	one time	0.03	–
Bacon-Manito Geothermal Project	1	Drilling pad	25 years	one time	0.44	renewable, with first option to buy
Bacon-Manito Geothermal Project	1	Pipe Corridor	25 years	one time	0.02	renewable, with first option to buy
Bacon-Manito Geothermal Project	1	Road Lot	25 Years	one time	0.04	renewable, with first option to buy
Burgos Wind Project (WF)	23	wind farm area / dedicated point-to-point limited facilities	25 years	one time	1.18	renewable, with first option to buy
Burgos Wind Project (TL)	502	wind farm area / dedicated point-to-point limited facilities	Long-term 25 years/ perpetual	one time	21.86	1 lot only renewable, with first option to buy
Burgos Temfacil/ Admin Building	1	Admin office	15 years	one time	0.27	renewable, with first option to buy

Location/ Project	Parcels of land	Structures	Duration of Lease	Payment Terms	Amount of Lease (in ₱ millions)	Renewal Options
Pagudpud Wind Project	6	80-meter meteorological mast	5 years	one time	0.88	renewable, with first option to buy
Burgos 1 Wind Project	1	80-meter meteorological mast	5 years	one time	0.09	renewable, with first option to buy
Burgos 2 Wind Project	1	80-meter meteorological mast	10 years	five times	0.30	renewable, with first option to buy
Mindanao Geothermal Project	1	PAD RG Dev't, Energy Support Zone & 50MW Mt Apo 3 Optimization Project	25 years	lump sum for 25 yrs	0.16	renewable
Total	628				35.21	

The Group has lease contracts for office, parking spaces, warehouses and rigs.

The Parent Company entered into agreements for the lease of office and parking space with Rockwell Land:

Lease of	Period Covered
Office Spaces	February 14, 2020 - June 30, 2026 July 1, 2020 - June 30, 2025 March 5, 2022 - June 30, 2027
Parking Spaces	February 14, 2020 - June 30, 2026 July 1, 2020 - June 30, 2025 March 1, 2023 - June 30, 2027

The Parent Company entered into agreements for the lease of rigs with Thermaprime Drilling Corporation ("Thermaprime") for the following period:

Lease of	Period Covered
Rigs	January 1, 2024 to December 31, 2028 March 2, 2024 to March 1, 2029 April 19, 2024 to April 18, 2029* June 19, 2024 to June 18, 2029* November 20, 2024 to November 19, 2029*

**with option to extend for another 5 years*

The Group also has certain leases of assets with lease terms of 12 months or less and leases of low value assets. The Group applies the short-term lease and lease of low value assets recognition exemption for these leases.

The Group had total cash outflows for leases of office, parking spaces, warehouses, and rigs amounting to ₱472.8 million and ₱143.6 million in 2024 and 2023, respectively.

Item 3. Legal Proceedings

There are no material pending legal proceedings in which the Group is a party or in which any of its material properties are subject. Nonetheless, the Group is involved in various legal proceedings on matters that are in the ordinary course of business, including those described below. If the Group is not successful in one or more of these proceedings (other than the input value-added tax refund cases), it could be liable for payments and incur damages and costs that could be substantial. Discussed briefly below are some pending legal proceedings involving the Group.

Expropriation Proceedings

Several expropriation proceedings filed by the Republic of the Philippines, through the DOE and PNOC, to acquire lands needed by the Group for the power plants and/or steamfield components of its projects are still pending before various Philippine courts, in particular, with respect to the land requirements of the Leyte Geothermal Production Field, the Southern Negros Geothermal Production Field, Northern Negros Geothermal Project, Bac-Man Geothermal Project, and the EBWPC Wind Project.

As of December 31, 2024, there were around 1,600 such cases pending and the aggregate amount claimed by the landowners as just compensation is approximately ₱258.0 million.

Tax Cases

Real Property Taxes

From 2009 to 2024, the Parent Company and its subsidiaries, namely, BGI, GCGI, EBWPC, and EDC Siklab, paid under protest, and applied for the refund, of real property taxes (“RPT”). The protests were filed primarily due to (i) the application of RPT rates that were higher than the preferential RPT rate of 1.5% under Section 15(c) of the RE Act, and/or (ii) non-application of the full 5% depreciation allowance on machineries. As of December 31, 2024, some of these protests have been appealed to, and are still pending with, the respective Local Board of Assessment Appeals (“LBAA”) and the Central Board of Assessment Appeals (“CBAA”) having jurisdiction over the cities and provinces where these properties are located. On August 20, 2024, the Court of Tax Appeals (“CTA”) resolved with finality the cases involving the Parent Company’s RPT overpayments to Ormoc City for calendar years 2012 to 2015. On September 28, 2024, the LBAA-Ormoc resolved with finality the cases involving the cases involving the Parent Company’s RPT overpayments to Ormoc City for calendar years 2016 to 2023.

The Parent Company and GCGI also have several appeals pending with the LBAA in relation to assessments or claims for exemption of certain real properties, including machineries and equipment for pollution control or environmental protection, which are exempt from RPT. These proceedings are pending with the LBAA, CBAA, or the CTA as of December 31, 2024.

In 2017, Kidapawan City commenced formal collection proceedings against the Parent Company to collect RPT on the non-power plant assets and the State-owned land where the MAGP is located. The Parent Company filed a Complaint for Injunction with the Regional Trial Court (“RTC”) of Kidapawan City to stop Kidapawan City from pursuing collection measures on the basis that it had no authority to impose RPT on non-power plant assets and State-owned land. The RTC granted the Parent Company a preliminary injunction, and the case is ongoing trial before the RTC as of December 31, 2024.

Franchise Taxes

2000-2004, 2006-2007

The Province of Leyte assessed the Parent Company for franchise taxes in respect of the operations of its geothermal power plants in the province from 2000-2004, 2006, and 2007. The Parent Company seasonably filed the corresponding petitions before the RTC of Tacloban City, Leyte, for the annulment of the assessments.

On September 15, 2009, the RTC issued an order granting a Preliminary Injunction restraining the Province of Leyte from levying and collecting franchise tax from the Parent Company. The Province of Leyte filed a Petition for Certiorari with the Court of Appeals (“CA”) to question the Preliminary Injunction, which Petition was denied on August 3, 2012. The Province of Leyte then filed a Petition for Review on Certiorari with the Supreme Court (“SC”), where the petition remains pending as of December 31, 2024.

In December 2008, the Parent Company received another Consolidated Notice of Assessment and Demand for Payment from the Province of Leyte, demanding from the Parent Company the payment of franchise tax. This assessment cancelled previous assessments since the new assessment covers the period starting 1998 until 2006. On April 24, 2009, the Parent Company protested the said assessment and, since the Province denied the said protest, it filed a petition before the RTC of Tacloban City, Leyte for the annulment of the franchise tax assessment.

2010-2015

On March 22, 2017, GCGI filed a Complaint with the RTC of Tacloban City, Leyte to appeal the inaction of the Provincial Treasurer of Leyte on GCGI’s protest letter against the franchise tax assessment for the period 2010 to 2015. The case is still pending with the RTC as of December 31, 2024.

GCGI believes that it is not liable for franchise taxes on the basis that it is not a holder of any legislative franchise, local or national, and a franchise is not required for their operations or business.

Input Value-Added Tax

In 2009, the Parent Company filed Petitions for Review with the CTA with respect to its un-acted claims from the BIR for tax credit on input value-added tax (“VAT”) relating to the EDC’s VAT zero-rated sales for 2007 and 2008. The CTA denied the Petition for Review for the 2007 input VAT Refund. For the 2008 input VAT refund, the CTA disallowed the refund of ₱97.23 million out of the ₱131.62 million being claimed for refund. The CTA’s decisions on the 2007 and 2008 input VAT refund claims have been appealed up to the SC. The SC granted the Parent Company’s appeal of the CTA’s denial of its 2007 input VAT refund claim and remanded the case to the CTA for continuation of proceedings. For the 2008 input VAT refund claim, the SC denied the Parent Company’s appeal. As of December 31, 2024, the CTA has not resumed proceedings on the 2007 input VAT refund claim. The Parent Company believes that it is entitled to a tax refund or tax credit of its unutilized input taxes attributable to VAT zero-rated sales of renewable energy pursuant to the provisions of the RE Act and the National Internal Revenue Code, as amended.

In 2016, EBWPC filed a Petition for Review with the CTA with respect to the denial by the BIR of its administrative claim for tax refund or tax credit of its input VAT for the first and second quarters of 2014 attributable to VAT zero-rated sales. EBWPC believes that it is entitled to a tax refund or tax credit of its unutilized input taxes attributable to VAT zero-rated sales of wind energy pursuant to the provisions of the RE Act and the National Internal Revenue Code, as amended.

On March 12, 2021, the CTA-Third Division rendered a Decision denying EBWPC's VAT refund claim. It likewise denied EBWPC's Motion for Reconsideration ("MR"); thus, on December 20, 2021, EBWPC elevated the CTA-Third Division's denial to the CTA En Banc. The CTA En Banc subsequently granted EBWPC's appeal and remanded the case to the CTA-Third Division for further proceedings. The BIR filed its MR which was denied on October 1, 2024. The BIR appealed to the SC, where the case is pending as of December 31, 2024.

Income Tax Assessment

On December 5, 2017, BGI filed a Petition for Review with the CTA to appeal the denial by the BIR of its protest letter against the deficiency income tax assessment for taxable year 2013. The BIR assessed BGI for deficiency income tax on the ground that it is not entitled to use the ten percent (10%) preferential income tax rate under Section 15(e) of the RE Act since BGI's income tax incentive only commenced on July 1, 2013, or its Start of Commercial Operation. BGI believes that the assessment should be cancelled because it was entitled to avail of the 10% preferential income tax rate in taxable year 2013 pursuant to Rule 5, Section 13(E) of the implementing rules and regulations of the RE Act. On November 18, 2021, the CTA rendered a Decision cancelling the tax assessment on the ground that BIR violated BGI's right to due process. On May 20, 2022, the BIR appealed to the CTA En Banc, which appeal was denied on October 11, 2023. The BIR filed its MR of the CTA En Banc's decision, which was denied on February 8, 2024. The BIR then appealed to the Supreme Court, which denied its appeal on November 27, 2024. As of December 31, 2024, BGI has no information if the BIR filed its MR of the SC's denial of its appeal.

Civil Cases

As of December 31, 2024, there are civil cases to which EDC is a party. The Parent Company does not believe that an adverse decision on these cases poses a material risk to the Parent Company's operations.

Labor Cases

As of December 31, 2024, there are pending labor cases against the Parent Company, most of which deal with plaintiffs' claims of illegal dismissal and back wages. The Parent Company does not believe that these cases pose a material risk to the Parent Company's operations.

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

Not Applicable.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

Market Information

The Parent Company's common shares were listed with the PSE on December 13, 2006 at an Initial Public Offering price of ₱3.20 per share.

On August 7, 2018, the Board of the Parent Company approved the voluntary delisting of its common shares from the Main Board of the PSE, and, in accordance with the PSE's delisting rules and regulations, the conduct of a Tender Offer for up to 2,040,006,713 common shares held collectively by all shareholders of the Parent Company other than Red Vulcan, First Gen, NTPC, and PREHC. This represented all remaining EDC common shares that were held by the public, and which equated to approximately 10.9% of its total outstanding common shares. On September 19, 2018, the Parent Company filed the petition for the delisting with the PSE.

The Tender Offer began on September 24, 2018 until October 22, 2018. Following the completion of the Tender Offer, a total of 2,009,107,731 common shares, representing approximately 10.72% of the Parent Company's outstanding voting shares, were tendered pursuant to the Tender Offer, accepted and thereafter purchased by the Parent Company via a block sale through the facilities of the PSE on November 5, 2018. The shares were purchased at the Tender Offer Price with a total transaction value of ₱14,566.0 million.

On November 14, 2018, the Board of the PSE granted the petition for voluntary delisting filed by the Parent Company, and accordingly, ordered the delisting of the Parent Company's common shares from the official registry of the PSE (electronic board and ticker) effective on November 29, 2018.

On December 29, 2023, the SEC issued the Parent Company's Certificate of Filing of Amended Articles of Incorporation for (i) the increase in the par value of its common share from ₱1.00 to ₱1,000,000.00, and (ii) the increase in the par value of its voting preferred share from ₱0.01 to ₱10,000.00, while maintaining its current authorized capital stock, as part of the Parent Company's equity restructuring.

As a result of the increase in the par value of its common share, the Parent Company pays affected shareholders whose common shares in the Parent Company were fractionalized the fair value of their shares in the amount of ₱7.50 per common share (based on the previous par value of ₱1.00 per share), which is equivalent to ₱7,500,000.00 of the resulting fractionalized common share (based on the new par value of ₱1,000,000.00 per share).

As of December 31, 2024, actual count of common stockholders of record is 332 and public float was at 0.11% (or 18.079027 common shares).

List of Top 20 Stockholders of Parent Company as of December 31, 2024

Rank	Name	Number of Shares			Percentage
		Preferred	Common	Total	
1	Red Vulcan Holdings Corporation	9,375	7,494	16,869	63.890%
2	Philippines Renewable Energy Holdings Corporation	-	9,223	9,223	34.932%
3	First Gen Corporation	-	148	148	0.561%
4	Northern Terracotta Power Corporation	-	145	145	0.549%
5	Boston Common International Sustainable Climate Fund, LLC	-	2.820130	2.820130	0.011%
6	Ang Eng Seng	-	1.000001	1.000001	0.004%
7	Christopher Low Eu Sun	-	1.000001	1.000001	0.004%
8	David Andrew Baldwin	-	1.000001	1.000001	0.004%
9	Jerome H. Cainglet	-	1.000001	1.000001	0.004%
10	Manuel I. Ayala	-	1.000001	1.000001	0.004%
11	Richard B. Tantoco	-	1.000001	1.000001	0.004%
12	Teresa Grace Socorro G. Lara	-	1.000001	1.000001	0.004%
13	Federico R. Lopez	-	1.000000	1.000000	0.004%
14	Francis Giles B. Puno	-	1.000000	1.000000	0.004%
15	Jonathan C. Russell	-	1.000000	1.000000	0.004%
16	Sebastian C. Quiniones, Jr.	-	1.000000	1.000000	0.004%
17	Elizabeth L. Bengzon	-	0.956000	0.956000	0.004%
18	Rosalind Camara	-	0.663750	0.663750	0.003%
19	Ting Mei	-	0.195000	0.195000	0.001%
20	Maria Antonietta T. Pamintuan	-	0.160000	0.160000	0.001%

Parent Company's Share Capital

On May 19, 2009, the Board and the stockholders approved an increase in EDC's authorized capital stock from ₱15.1 billion comprising of 15.0 billion common shares with a par value of ₱1.00 per share or aggregate par value of ₱15.0 billion, and 7.5 billion preferred shares with a par value of ₱0.01 per share or aggregate par value of ₱75.0 million to ₱30.1 billion divided into 30.0 billion common shares with a par value of ₱1.00 per share or aggregate par value of ₱30.0 billion, and 15.0 billion preferred shares with a par value of ₱0.01 per share or aggregate par value of ₱150.0 million. The increase in authorized capital stock of the common shares was effected by way of a 25% stock dividend, to be taken from EDC's unrestricted retained earnings as of December 31, 2008.

On October 12, 2009, the SEC approved the increase in the EDC's authorized capital stock from ₱15.1 billion to ₱30.1 billion divided into 30 billion common shares with a par value of ₱1.00 per share and 15.0 billion preferred shares with a par value of ₱0.01 per share by way of common stock dividends (totaling 3.75 billion common shares with any fractional shares being subscribed by the EDC Retirement Fund and/or Trust for the EDC Executive/Employee Stock Ownership Plan) and the subscription by the current preferred stockholders to 1.875 billion preferred shares, representing 25% of the increase in the preferred shares at par value. The stock dividends were distributed on November 23, 2009 to stockholders as of the record date of October 27, 2009.

On February 28, 2014, the Board approved the reclassification of EDC's 3.0 billion common shares with a par value of ₱1.00 per share or aggregate par value of ₱3.0 billion out of the unissued authorized common stock to 300.0 million non-voting preferred shares with a par value of ₱10.00 per share or aggregate par value of ₱3.0 billion thereby creating a new class of preferred shares. On November 24, 2014, the SEC approved the above reclassification from the unissued authorized common shares of the Parent Company.

On August 3, 2017, EDC received a notice from PREHC that it filed a Tender Offer Report with the SEC in which it indicated that it will launch a voluntary tender offer to acquire up to a maximum of 8.9 billion common shares of EDC, representing approximately 31.7% of EDC's total outstanding voting shares, at a price of ₱7.25 per share. PREHC is indirectly held by a consortium of investors comprising funds managed by Macquarie Infrastructure Management (Asia) Pty Limited, Singapore Branch, a member of MIRA, and Arran Investment Pte Ltd, an affiliate of GIC Pte Ltd. of Singapore.

The tender offer began on August 10, 2017 and ended on September 18, 2017. The completion of the tender offer resulted to PREHC owning 31.7% of EDC's outstanding voting shares while Red Vulcan retains the controlling interest with 60.0% ownership of EDC's outstanding voting shares.

On August 7, 2018, the Board of EDC approved the voluntary delisting of its common shares from the Main Board of the PSE and, in accordance with the PSE's delisting rules and regulations, to conduct a tender offer (the "Tender Offer") for up to 2,040,006,713 common shares held collectively by all shareholders of the Group other than Red Vulcan, First Gen, Northern Terracotta Power Corp. and PREHC, at a price of ₱7.25 per common share (the "Tender Offer Price").

On September 19, 2018, EDC filed a petition for the delisting with the PSE. The Tender Offer began on September 24, 2018 and ended on October 22, 2018. Following the completion of the Tender Offer, a total of 2,009,107,731 common shares, representing approximately 10.72% of the EDC's outstanding voting shares were tendered pursuant to the Tender Offer, accepted and thereafter purchased by EDC via a block sale through the facilities of the PSE on November 5, 2018. The shares were purchased at the Tender Offer Price with a total transaction value of ₱14,566.0 million.

On November 14, 2018, the Board of the PSE granted the voluntary delisting filed by EDC and accordingly ordered the delisting of the EDC's common shares from the official registry of the PSE (electronic board and ticker) effective on November 29, 2018.

On December 3, 2018, the Board of EDC approved the issuance of additional 326,250,000 non-preemption common shares to PREHC out of its existing unissued capital stock at an issue price of ₱7.25 per common share.

On April 5, 2019 and May 9, 2019, the Board and the stockholders, respectively, approved the amendment to the Seventh Article of the Articles of Incorporation of the Parent Company, to increase the dividends of the voting preferred shares by adding a fixed annual dividends at the rate as may be determined and revised from time to time by the Board, in addition to the current dividend rate of eight percent (8%) of the par value of the voting preferred shares. The amended Articles of Incorporation of the Parent Company was approved by the SEC on October 17, 2019.

On February 27, 2023 and May 12, 2023, the Board and the stockholders, respectively, approved the amendment to the Seventh Article of the AOI of the Parent Company, to (i) increase the par value of each common share from ₱1.00 to ₱1,000,000.00, and (ii) increase the par value of each voting preferred share from ₱0.01 to ₱10,000.00, while maintaining its current authorized capital stock. The amendment to the Parent Company's AOI was approved by the SEC on December 29, 2023.

As of December 31, 2024, the outstanding voting preferred and common shares are 65.0% held by Filipino citizens, with Red Vulcan holding the entire outstanding voting preferred shares equivalent to 35.5% voting interest, and common shares equivalent to 44.0% economic interest in EDC.

The combined interest of Red Vulcan entitles it to 63.9% voting interest and 44.0% economic interest in EDC as of December 31, 2024.

Details of the number of non-voting preferred shares, voting preferred shares and common shares as of December 31, 2024 are as follows:

	Common	Voting preferred	Non-voting preferred
Par value per share	₱1,000,000.00	₱10,000.00	₱10.00
Number of shares:			
Authorized	27,000	15,000	300,000,000
Issued	19,076.25	9,375	—
Less: Treasury stock	2,048.17	—	—
Outstanding	17,028.08	9,375	—

Each common share is equal in all respects to every other common share. Holders of at least one (1) common share have full voting rights; one share shall be entitled to one vote. The rights of EDC's shareholders include the right to notice of shareholders' meetings, the right of inspection of the Parent Company's corporate books, and other shareholders' rights contained in the Revised Corporation Code, the SEC Code of Corporate Governance, and the Parent Company's Manual on Corporate Governance. Notice of shareholders' meetings is provided by mail by hand or by publication.

Holders of common shares are entitled to receive annual cash dividends of at least 30% of the prior year's recurring net income based on the recommendation of the Board. Such recommendation will take into consideration factors such as current and prospective debt service requirements and loan covenants, the implementation of business plans, operating expenses, budgets, funding for new investments and acquisitions, appropriate reserves and working capital, among others. In this connection, covenants in certain loan agreements entered into by the Parent Company restrict the distribution of dividends to the Parent Company's stockholders if such distribution will impair the company's ability to pay its obligations or if an event of default or a prospective event of default (as defined in the loan agreement) has occurred and has not been remedied to the satisfaction of the creditor(s).

The Parent Company's preferred shares have the following features:

- The voting preferred shares have voting rights, entitled to cumulative dividend rate of eight percent (8.0%) per annum plus a fixed annual dividend at the rate as may be determined and revised from time to time by the Board, and redeemable at par in the event that restrictions on foreign share ownership are lifted.
- The non-voting preferred shares have no voting rights (except in cases provided for by law) and are entitled to cumulative dividend at a rate to be determined by the Board at the time of issuance, and redeemable at the option of the Parent Company.

Preferred shares, regardless if voting or non-voting, are non-participating and non-convertible to common shares.

Cash Dividends

Following are the dividends declared by the Parent Company:

Declaration date	Record date	Payment date	Shareholders	Description	Dividend per share	Total amount
2024:						
June 24, 2024	July 15, 2024	July 31, 2024	Common	Regular	₱146,809.79	₱2,500,000,000
			Preferred	Regular	31,306.67	293,500,000
November 22, 2024	December 2, 2024	December 31, 2024	Common	Special	217,288.16	3,700,000,000
						₱6,493,500,000

Declaration date	Record date	Payment date	Shareholders	Description	Dividend per share	Total amount
2023:						
May 12, 2023	May 31, 2023	June 30, 2023	Common	Regular	₱0.1467	₱2,499,586,287
			Preferred	Regular	0.0313	293,500,000
November 23, 2023	December 4, 2023	December 29, 2023	Common	Special	0.1760	2,999,503,544
						₱5,792,589,831

Declaration date	Record date	Payment date	Shareholders	Description	Dividend per share	Total amount
2022:						
May 19, 2022	May 31, 2022	June 30, 2022	Common	Regular	₱0.1467	₱2,500,000,000
			Preferred	Regular	0.0313	293,500,000
November 24, 2022	December 5, 2022	December 29, 2022	Common	Special	0.1467	2,500,000,000
						₱5,293,500,000

Recent Sale of Unregistered or Exempt Securities

On March 24, 2022, the Parent Company refinanced its maturing loan with Mizuho Bank, Ltd. (“Mizuho”) for the same amount of US\$50.0 million. Throughout the year, it also signed peso bilateral corporate term loan agreements with Bank of the Philippine Islands (“BPI”), UnionBank of the Philippines, Security Bank Corporation, CTBC Bank (Philippines) Corp. (“CTBC”), BDO Unibank, Inc. (“BDO”), and China Banking Corporation (“CBC”) for a total of ₱21.1 billion, where the Parent Company drew a total of ₱11.1 billion (1) to refinance the outstanding ₱5.1 billion balance of its maturing Fixed Rate Corporate Note; (2) to fund various capital expenditures and growth projects; and (3) for general corporate purposes.

In 2023, the Parent Company drew an additional ₱3.0 billion, ₱2.0 billion, and ₱5.0 billion from BDO, CBC, and BPI, respectively, from the corporate term loan facilities it signed in 2022.

On August 11, 2023, the Parent Company signed a bilateral corporate term loan agreement with BDO for ₱5.0 billion, where the Parent Company drew ₱2.0 billion to (1) to fund various capital expenditures; and (2) for general corporate purposes.

On March 6, 2024, the Parent Company drew an additional ₱3.0 billion from the corporate term loan facility it signed with BDO in 2023.

On May 27, 2024, EDC successfully listed the second and final tranche of its SEC-registered ASEAN Green Bonds with an aggregate principal amount of ₱10.0 billion from the bond shelf registration of up to ₱15.0 billion greenlit by the SEC in 2021. The bonds, which have been listed on PDEX, are comprised of ₱3.0 billion three (3)-year bonds, ₱3.5 billion five (5)-year bonds, and ₱3.5 billion seven (7)-year bonds due on May 27, 2027, May 27, 2029 and May 27, 2031, respectively.

Throughout 2024, the Parent Company signed various peso and US dollar bilateral corporate term loan agreements with BPI, BDO, CBC, CTBC, and Mizuho for a total peso equivalent of ₱30.78 billion, where it drew a total of ₱14.78 billion to fund various capital expenditures and growth projects, and for general corporate purposes.

On December 16, 2024 and December 17, 2024, EBWPC signed bilateral corporate term loan agreements with BDO Unibank, Inc. for ₱5.0 billion and Mizuho for US\$80.0 million, where EBWPC drew ₱2.7 billion and US\$80.0 million, respectively, to repay advances received from the Parent Company for the prepayment of the EBWPC project financing for the Burgos Wind Project, to fund capital expenditures, and/or for general corporate purposes.

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

The following discussion focuses on the results of operations and financial condition of the Group.

Financial results for the years ended December 31, 2024, 2023 and 2022

	CONSOLIDATED (AUDITED)		
(Amounts in Million Pesos)	2024	2023	2022
Income Statement Data			
Revenue from sale of electricity	₱46,148.7	₱47,171.6	₱48,700.4
Income before income tax	10,244.6	15,972.3	12,925.6
Foreign exchange gains (losses)	51.2	10.3	(43.9)
Net income	9,241.3	14,391.6	11,132.5
Net income attributable to equity holders of the Parent Company	9,124.3	14,267.2	10,979.4
Recurring net income	9,187.8	14,324.0	11,374.6
Recurring net income attributable to equity holders of the Parent Company	9,091.1	14,203.7	11,209.2

	As at December 31		
(Amounts in Million Pesos)	2024	2023	2022
Balance Sheet Data			
ASSETS			
Total current assets	₱36,460.1	₱39,035.1	₱34,762.4
Property, plant and equipment	138,574.0	111,867.3	100,928.9
Goodwill and intangible assets	3,332.4	3,424.9	3,632.1
Exploration and evaluation assets	2,649.6	2,151.0	2,039.3
Deferred tax assets - net	865.5	875.5	754.4
Derivative assets - net of current portion	0.9	233.5	326.3
Financial assets at fair value through other comprehensive income	301.2	289.0	295.0
Other noncurrent assets	11,001.3	8,376.8	7,258.1
Total Assets	₱193,185.0	₱166,253.1	₱149,996.5

As at December 31			
(Amounts in Million Pesos)	2024	2023	2022
LIABILITIES AND EQUITY			
Total current liabilities	₱31,626.5	₱29,835.3	₱24,804.4
Long-term debts - net of current portion	65,428.7	46,769.8	44,420.1
Long-term lease liability - net of current portion	4,164.0	157.6	241.1
Net retirement and other post-employment benefits	2,439.8	2,627.4	1,759.7
Deferred tax liabilities - net	93.5	134.9	165.9
Provision and other long-term liabilities	4,147.7	3,355.3	3,027.8
Total Liabilities	107,900.2	82,880.3	74,419.0
Equity attributable to equity holders of the Parent Company	83,584.4	80,984.5	73,305.1
Non-controlling interests	1,700.4	2,388.3	2,272.4
Total Equity	85,284.8	83,372.8	75,577.5
Total Liabilities and Equity	₱193,185.0	₱166,253.1	₱149,996.5

Financial Highlights

Year Ended December 31, 2024 vs. December 31, 2023 Results

Full year 2024 revenue decreased by 2.2% or ₱1,022.9 million to ₱46,148.7 million from ₱47,171.6 million in 2023 due to lower sales volume, partly offset by higher average price. Electricity sales volume decreased by 5.4% or by 432.1 GWh to 7,612.2 GWh in 2024 from the 8,044.3 GWh in 2023.

The recurring net income decreased by 35.9% or ₱5,136.2 million to ₱9,187.8 million in 2024 from ₱14,324.0 million in 2023. The decrease was mainly attributable to the higher recurring operating expenses (₱3,841.8 million), lower revenue (₱1,022.9 million), higher financial expenses - net (₱701.3 million). These were partly offset by the lower recurring provision for income tax (₱515.4 million).

Net income decreased by 35.8% or ₱5,150.3 million to ₱9,241.3 million in 2024 from ₱14,391.6 million in 2023. The decrease was mainly attributable to the higher cost of sales (₱2,146.8 million), higher general and administrative expenses (₱1,331.9 million), lower revenue (₱1,022.9 million), higher financial expenses - net (₱701.3 million) and lower other income - net (₱524.8 million). These were partly offset by the lower provision for income tax (₱577.4 million).

Net income in 2024 represented 20.0% of total revenue as compared to 30.5% in 2023.

Major Transactions for 2024

- Proceeds from long-term debts (net of transaction cost) amounted to ₱34,811.7 million
- Acquisitions of property, plant and equipment amounted to ₱28,483.4 million
- Payments of long-term debts, interest and other financial charges amounted to ₱20,173.4 million
- Payments for cash dividends amounted to ₱7,298.4 million

Income Statement

Year Ended December 31, 2024 vs. December 31, 2023 Results

	HORIZONTAL ANALYSIS Favorable (Unfavorable) Variance				VERTICAL ANALYSIS	
	December 2024	December 2023	Amount	%	December 2024	December 2023
(Amounts in PHP millions)						
REVENUE						
Sale of electricity	46,148.7	47,171.6	(1,022.9)	-2.2%	100.0%	100.0%
COSTS OF SALE OF ELECTRICITY						
Costs of sale of electricity	(24,716.1)	(22,569.3)	(2,146.8)	9.5%	-53.6%	-47.8%
GENERAL AND ADMINISTRATIVE EXPENSES	(8,180.1)	(6,848.2)	(1,331.9)	19.4%	-17.7%	-14.5%
FINANCIAL INCOME (EXPENSE)						
Interest income	588.7	818.3	(229.6)	-28.1%	1.3%	1.7%
Interest expense	(3,651.4)	(3,179.7)	(471.7)	14.8%	-7.9%	-6.7%
	(3,062.7)	(2,361.4)	(701.3)	29.7%	-6.6%	-5.0%
OTHER INCOME (CHARGES)						
Foreign exchange gains (losses)	51.2	10.3	40.9	397.1%	0.1%	0.0%
Miscellaneous income (charges) - net	3.6	569.3	(565.7)	-99.4%	0.0%	1.2%
	54.8	579.6	(524.8)	-90.5%	0.1%	1.2%
INCOME BEFORE INCOME TAX	10,244.6	15,972.3	(5,727.7)	-35.9%	22.2%	33.9%
PROVISION FOR (BENEFIT FROM) INCOME TAX						
Current	966.5	1,629.9	(663.4)	-40.7%	2.1%	3.5%
Deferred	36.8	(49.2)	86.0	-174.8%	0.1%	-0.1%
	1,003.3	1,580.7	(577.4)	-36.5%	2.2%	3.4%
NET INCOME	9,241.3	14,391.6	(5,150.3)	-35.8%	20.0%	30.5%
Net income attributable to:						
Equity holders of the Parent Company	9,124.3	14,267.2	(5,142.9)	-36.0%	19.8%	30.2%
Non-controlling interests	117.0	124.4	(7.4)	-5.9%	0.3%	0.3%
EBITDA	20,786.1	25,238.4	(4,452.3)	-17.6%	45.0%	53.5%
RECURRING NET INCOME	9,187.8	14,324.0	(5,136.2)	-35.9%	19.9%	30.4%
Recurring net income attributable to:						
Equity holders of the Parent Company	9,091.1	14,203.7	(5,112.6)	-36.0%	19.7%	30.1%
Non-controlling interests	96.7	120.3	(23.6)	-19.6%	0.2%	0.3%

Revenue

Full year 2024 revenue decreased by 2.2% or ₱1,022.9 million to ₱46,148.7 million from ₱47,171.6 million in 2023 due to lower sales volume, partly offset by higher average price. Electricity sales volume decreased by 5.4% or by 432.1 GWh to 7,612.2 GWh in 2024 from the 8,044.3 GWh in 2023.

Cost of Sale of Electricity

Costs of sale of electricity increased by 9.5% or ₱2,146.8 million to ₱24,716.1 million in 2024 from ₱22,569.3 million in 2023 mainly due to the increase in purchased services and utilities by ₱1,974.2 million, rental, insurance and taxes by ₱511.0 million and government share by ₱94.2 million, partly offset by the lower parts and supplies issued by ₱288.3 million and depreciation and amortization by ₱178.5 million.

General and Administrative Expenses

General and administrative expenses increased by 19.4% or ₱1,331.9 million to ₱8,180.1 million in 2024 from ₱6,848.2 million in 2023 mainly due to the increase in rental, insurance and taxes by ₱418.2 million, purchased services and utilities by ₱344.5 million, provision for impairment of trade and other receivables, and prepaid taxes by ₱300.9 million, personnel costs by ₱229.6 million, provision for impairment of parts and supplies inventories by ₱208.6 million, and business and related expenses by ₱153.0 million, partly offset by the lower provision for impairment of goodwill, property, plant and equipment, exploration and evaluation by ₱282.4 million.

Financial Income (Expense)

Financial expenses - net increased by 29.7% or ₱701.3 million to ₱3,062.7 million in 2024 from ₱2,361.4 million in 2023.

Interest Income

Interest income decreased by 28.1% or ₱229.6 million to ₱588.7 million in 2024 from ₱818.3 million in 2023 mainly due to the lower placements.

Interest Expense

Interest expense increased by 14.8% or ₱471.7 million to ₱3,651.4 million in 2024 from ₱3,179.7 million in 2023 mainly from the increased long-term debts for the year.

Other Income (Charges)

Other income decreased by 90.5% or ₱524.8 million to ₱54.8 million in 2024 from ₱579.6 million in 2023.

Foreign exchange gains (losses)

Net foreign exchange gain increased by 397.1% or ₱40.9 million to ₱51.2 million in 2024 from ₱10.3 million in 2023, mainly related to marketable securities.

The comparative foreign exchange rates were as follows:

	PHP:US\$
December 31, 2022	₱55.755
December 31, 2023	55.370
December 31, 2024	57.845

Miscellaneous income (charges) - net

Miscellaneous income - net decreased by 99.4% or ₱565.7 million to ₱3.6 million in 2024 from the ₱569.3 million in 2023 mainly due to this year's lower income from insurance claims.

Provision for (Benefit From) Income Tax

Current

Provision for current tax decreased by 40.7% or ₱663.4 million to ₱966.5 million in 2024 from ₱1,629.9 million in 2023 mainly due to the lower taxable income.

Deferred

Provision for deferred tax amounted to ₱36.8 million in 2024, a 174.8% or ₱86.0 million turnaround from the ₱49.2 million benefit in 2023, mainly due to the movement of foreign exchange rates and decrease in deferred tax asset on accrued retirement benefits.

Net Income

As a result, the Group's net income decreased by 35.8% or ₱5,150.3 million to ₱9,241.3 million in 2024 from ₱14,391.6 million in 2023.

Net income in 2024 represented 20.0% of total revenue as compared to 30.5% in 2023.

Year Ended December 31, 2023 vs. December 31, 2022 Results

	HORIZONTAL ANALYSIS Favorable (Unfavorable) Variance				VERTICAL ANALYSIS	
(Amounts in PHP millions)	December 2023	December 2022	Amount	%	December 2023	December 2022
REVENUE						
Sale of electricity	47,171.6	48,700.4	(1,528.8)	-3.1%	100.0%	100.0%
COSTS OF SALE OF ELECTRICITY						
Costs of sale of electricity	(22,569.3)	(26,587.5)	4,018.2	-15.1%	-47.8%	-54.6%
GENERAL AND ADMINISTRATIVE EXPENSES	(6,848.2)	(6,402.6)	(445.6)	7.0%	-14.5%	-13.1%
FINANCIAL INCOME (EXPENSE)						
Interest income	818.3	258.1	560.2	217.0%	1.7%	0.5%
Interest expense	(3,179.7)	(2,872.6)	(307.1)	10.7%	-6.7%	-5.9%
	(2,361.4)	(2,614.5)	253.1	-9.7%	-5.0%	-5.4%
OTHER INCOME (CHARGES)						
Foreign exchange gains (losses)	10.3	(43.9)	54.2	-123.5%	0.0%	-0.1%
Miscellaneous income (charges) - net	569.3	(126.3)	695.6	-550.8%	1.2%	-0.3%
	579.6	(170.2)	749.8	-440.5%	1.2%	-0.3%
INCOME BEFORE INCOME TAX	15,972.3	12,925.6	3,046.7	23.6%	33.9%	26.5%
PROVISION FOR (BENEFIT FROM) INCOME TAX						
Current	1,629.9	1,810.1	(180.2)	-10.0%	3.5%	3.7%
Deferred	(49.2)	(17.0)	(32.2)	189.4%	-0.1%	0.0%
	1,580.7	1,793.1	(212.4)	-11.8%	3.4%	3.7%
NET INCOME	14,391.6	11,132.5	3,259.1	29.3%	30.5%	22.9%
Net income attributable to:						
Equity holders of the Parent Company	14,267.2	10,979.4	3,287.8	29.9%	30.2%	22.5%
Non-controlling interests	124.4	153.1	(28.7)	-18.7%	0.3%	0.3%
EBITDA	25,238.4	23,226.6	2,011.8	8.7%	53.5%	47.7%
RECURRING NET INCOME	14,324.0	11,374.6	2,949.4	25.9%	30.4%	23.4%
Recurring net income attributable to:						
Equity holders of the Parent Company	14,203.7	11,209.2	2,994.5	26.7%	30.1%	23.0%
Non-controlling interests	120.3	165.4	(45.1)	-27.3%	0.3%	0.3%

Revenue

Full year 2023 revenue decreased by 3.1% or ₱1,528.8 million to ₱47,171.6 million from ₱48,700.4 million in 2022 due lower sales volume, partly offset by higher average price. Electricity sales volume decreased by 8.3% or by 726.3 GWh to 8,044.3 GWh in 2023 from the 8,770.6 GWh in 2022.

Cost of Sale of Electricity

Costs of sale of electricity decreased by 15.1% or ₱4,018.2 million to ₱22,569.3 million in 2023 from ₱26,587.5 million in 2022 mainly due to the decrease in purchased services and utilities by ₱5,709.6 million, partly offset by the increase in rental, insurance and taxes by ₱496.0 million, depreciation and amortization by ₱410.9 million, parts and supplies issued by ₱258.9 million, personnel costs by ₱252.3 million, and repairs and maintenance by ₱212.1 million.

General and Administrative Expenses

General and administrative expenses increased by 7.0% or ₱445.6 million to ₱6,848.2 million in 2023 from ₱6,402.6 million in 2022 mainly due to the increase in business and related expenses by ₱492.8 million, purchased services and utilities by ₱399.5 million, personnel costs by ₱303.4 million, and provision for impairment of goodwill, property, plant and equipment and exploration and evaluation by ₱282.4 million, partly offset by the decrease in provision for impairment of trade and other receivables, prepaid taxes, and others by ₱657.2 million and rental, insurance and taxes by ₱311.3 million.

Financial Income (Expense)

Financial expenses - net decreased by 9.7% or ₱253.1 million to ₱2,361.4 million in 2023 from ₱2,614.5 million in 2022.

Interest Income

Interest income increased by 217.0% or ₱560.2 million to ₱818.3 million in 2023 from ₱258.1 million in 2022 mainly due to the higher interest rates.

Interest Expense

Interest expense increased by 10.7% or ₱307.1 million to ₱3,179.7 million in 2023 from ₱2,872.6 million in 2022 mainly related to the interest on long-term debts, which has a higher balance in 2023 due to loan drawdowns.

Other Income (Charges)

Other income amounted to ₱579.6 million in 2023, a 440.5% or a ₱749.8 million turnaround from ₱170.2 million other charges in 2022.

Foreign exchange gains (losses)

Net foreign exchange gain amounted to ₱10.3 million in 2023, a 123.5% or ₱54.2 million turnaround from ₱43.9 million loss in 2022, mainly due to the realignment of foreign currency accounts.

The comparative foreign exchange rates were as follows:

	PHP:US\$
December 31, 2021	₱50.999
December 31, 2022	55.755
December 31, 2023	55.370

Miscellaneous income (charges), net

Miscellaneous income amounted to ₱569.3 million in 2023, a 550.8% or ₱695.6 million turnaround from the ₱126.3 million charges in 2022 mainly due to this year's higher income from insurance claims and last year's realized derivative loss.

Provision for (Benefit From) Income Tax

Current

Provision for current tax decreased by 10.0% or ₱180.2 million to ₱1,629.9 million in 2023 from ₱1,810.1 million in 2022 mainly due to the lower taxable income.

Deferred

Benefit from deferred tax decreased by 189.4% or ₱32.2 million to ₱49.2 million in 2023 from ₱17.0 million in 2022 mainly due to the movement of foreign exchange rates.

Net Income

As a result, the Group's net income increased by 29.3% or ₱3,259.1 million to ₱14,391.6 million in 2023 from ₱11,132.5 million in 2022.

Net income in 2023 represented 30.5% of total revenue as compared to 22.9% in 2022.

Balance Sheet

As of December 31, 2024 vs. December 31, 2023 Balances

(Amounts in PHP millions)	December 2024	December 2023	HORIZONTAL ANALYSIS		VERTICAL ANALYSIS	
			Increase (Decrease)		December 2024	December 2023
			Amount	%		
ASSETS						
Current Assets						
Cash and cash equivalents	13,579.4	17,421.0	(3,841.6)	-22.1%	7.0%	10.5%
Financial assets at fair value through profit or loss	65.5	17.7	47.8	270.1%	0.0%	0.0%
Trade and other receivables	7,066.3	6,886.6	179.7	2.6%	3.7%	4.1%
Due from related parties	58.4	41.7	16.7	40.0%	0.0%	0.0%
Parts and supplies inventories	12,709.4	8,492.0	4,217.4	49.7%	6.6%	5.1%
Derivative assets	0.2	34.3	(34.1)	-99.4%	0.0%	0.0%
Other current assets	2,980.9	6,141.8	(3,160.9)	-51.5%	1.5%	3.7%
Total Current Assets	36,460.1	39,035.1	(2,575.0)	-6.6%	18.9%	23.5%
Noncurrent Assets						
Property, plant and equipment	138,574.0	111,867.3	26,706.7	23.9%	71.7%	67.3%
Goodwill and intangible assets	3,332.4	3,424.9	(92.5)	-2.7%	1.7%	2.1%
Exploration and evaluation assets	2,649.6	2,151.0	498.6	23.2%	1.4%	1.3%
Deferred tax assets - net	865.5	875.5	(10.0)	-1.1%	0.4%	0.5%
Derivative assets - net of current portion	0.9	233.5	(232.6)	-99.6%	0.0%	0.1%
Financial assets at fair value through other comprehensive income	301.2	289.0	12.2	4.2%	0.2%	0.2%
Other noncurrent assets	11,001.3	8,376.8	2,624.5	31.3%	5.7%	5.0%
Total Noncurrent Assets	156,724.9	127,218.0	29,506.9	23.2%	81.1%	76.5%
TOTAL ASSETS	193,185.0	166,253.1	26,931.9	16.2%	100.0%	100.0%
LIABILITIES AND EQUITY						
LIABILITIES						
Current Liabilities						
Trade and other payables	21,871.5	20,483.8	1,387.7	6.8%	11.3%	12.3%
Due to related parties	1.8	1.7	0.1	5.9%	0.0%	0.0%
Income tax payable	37.8	218.9	(181.1)	-82.7%	0.0%	0.1%
Current portion of:						
Long-term debts	9,095.0	8,964.6	130.4	1.5%	4.7%	5.4%
Lease liability	620.4	166.3	454.1	273.1%	0.3%	0.1%
Total Current Liabilities	31,626.5	29,835.3	1,791.2	6.0%	16.4%	17.9%
Noncurrent Liabilities						
Long-term debts - net of current portion	65,428.7	46,769.8	18,658.9	39.9%	33.9%	28.1%
Long-term lease liability - net of current portion	4,164.0	157.6	4,006.4	2542.1%	2.2%	0.1%
Net retirement and other post-employment benefits	2,439.8	2,627.4	(187.6)	-7.1%	1.3%	1.6%
Deferred tax liabilities - net	93.5	134.9	(41.4)	-30.7%	0.0%	0.1%
Provisions and other long-term liabilities	4,147.7	3,355.3	792.4	23.6%	2.1%	2.0%
Total Noncurrent Liabilities	76,273.7	53,045.0	23,228.7	43.8%	39.5%	31.9%
TOTAL LIABILITIES	107,900.2	82,880.3	25,019.9	30.2%	55.9%	49.9%
EQUITY						
Equity attributable to equity holders of the Parent Company						
Preferred stock	93.8	93.8	—	0.0%	0.0%	0.1%
Common stock	19,076.3	19,076.3	—	0.0%	9.9%	11.5%
Treasury stock	(14,832.0)	(14,730.7)	(101.3)	0.7%	-7.7%	-8.9%
Additional paid-in capital	8,715.1	8,715.1	—	0.0%	4.5%	5.2%
Equity reserve	(3,706.4)	(3,706.4)	—	0.0%	-1.9%	-2.2%
Net accumulated unrealized gain on financial assets at fair value through other comprehensive income	109.4	100.3	9.1	9.1%	0.1%	0.1%
Fair value adjustments on hedging transactions	(212.5)	(3.6)	(208.9)	5,802.8%	-0.1%	0.0%
Cumulative translation adjustment	1,875.9	1,593.0	282.9	17.8%	1.0%	1.0%
Retained earnings						
Unappropriated	37,464.8	26,051.1	11,413.7	43.8%	19.4%	15.7%
Appropriated	35,000.0	43,795.6	(8,795.6)	-20.1%	18.1%	26.3%
Non-controlling interests	83,584.4	80,984.5	2,599.9	3.2%	43.3%	48.7%
TOTAL EQUITY	85,284.8	83,372.8	1,912.0	2.3%	44.1%	50.1%
TOTAL LIABILITIES AND EQUITY	193,185.0	166,253.1	26,931.9	16.2%	100.0%	100.0%

The Group's total assets as of December 31, 2024, amounted to ₱193,185.0 million, 16.2% or ₱26,931.9 million higher than the December 31, 2023 year-end level of ₱166,253.1 million. The Group's debt ratio is 0.47:1 as of December 31, 2024, higher than previous year's 0.40:1. This year's current ratio of 1.15:1 was lower than previous year's 1.31:1.

Cash and cash equivalents

Cash and cash equivalents decreased by 22.1% or ₱3,841.6 million to ₱13,579.4 million as of December 31, 2024 from the ₱17,421.0 million balance as of December 31, 2023 mainly due to the acquisitions of property, plant and equipment (₱28,483.4 million), payments of long-term debt, interest and other financial charges (₱20,173.4 million), payments of cash dividends (₱7,298.4 million), additions to non-current assets (₱3,114.8 million), and acquisitions of exploration and evaluation assets (₱493.4 million). These were partly offset by the proceeds from availment of long-term debts (₱34,811.7 million), and net cash flows from operating activities (₱20,597.8 million).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss increased by 270.1% or ₱47.8 million to ₱65.5 million as of December 31, 2024 from the ₱17.7 million balance as of December 31, 2023 mainly due to the additional investments in 2024.

Due from related parties

Due from related parties increased by 40.0% or ₱16.7 million to ₱58.4 million as of December 31, 2024 from the ₱41.7 million balance as of December 31, 2023 mainly from transactions with First Gen Energy Solutions.

Parts and supplies inventories

Parts and supplies inventories increased by 49.7% or ₱4,217.4 million to ₱12,709.4 million as of December 31, 2024 from the ₱8,492.0 million as of December 31, 2023 mainly due to the various materials and supplies purchased during the period.

Derivative assets

	December 31,		Favorable (Unfavorable) Variance	
	2024	2023	Amount	%
Current	0.2	34.3	(34.1)	-99.4%
Noncurrent	0.9	233.5	(232.6)	-99.6%
	1.1	267.8	(266.7)	-99.6%

Derivative assets decreased by 99.6% or ₱266.7 million to ₱1.1 million as of December 31, 2024 from the ₱267.8 million balance as of December 31, 2023 mainly due to EBWPC's unwinding of its interest rate swap derivatives.

Other current assets

Other current assets decreased by 51.5% or ₱3,160.9 million to ₱2,980.9 million as of December 31, 2024 from the ₱6,141.8 million balance as of December 31, 2023 mainly due to the decrease in short-term investments.

Property, plant and equipment

Property, plant and equipment increased by 23.9% or ₱26,706.7 million to ₱138,574.0 million as of December 31, 2024 from the ₱111,867.3 million balance as of December 31, 2023 mainly due to the ₱33,432.9 million additions, partly offset by the ₱7,290.0 million depreciation and amortization.

Exploration and evaluation assets

Exploration and evaluations assets increased by 23.2% or ₱498.6 million to ₱2,649.6 million as of December 31, 2024 from the ₱2,151.0 million balance in December 31, 2023 mainly due to the additions for the period, a large portion of which is for Amacan.

Other noncurrent assets

Other noncurrent assets increased by 31.3% or ₱2,624.5 million to ₱11,001.3 million as of December 31, 2024 from the ₱8,376.8 million balance as of December 31, 2023 mainly due to the increase in input value-added tax from both local purchases and importation, long-term receivable and prepaid expenses.

Trade and other payables

Trade and other payables increased by 6.8% or ₱1,387.7 million to ₱21,871.5 million as of December 31, 2024 from the ₱20,483.8 million as of December 31, 2023 mainly due to the increase in trade payables to suppliers and contractors.

Due to related parties

Due to related parties increased by 5.9% or ₱0.1 million to ₱1.8 million as of December 31, 2024 from the ₱1.7 million balance as of December 31, 2023 mainly due to the transactions with First Gen Corporation.

Income tax payable

Income tax payable decreased by 82.7% or ₱181.1 million to ₱37.8 million as of December 31, 2024 from the ₱218.9 million balance as of December 31, 2023 mainly due to the lower current income tax expense recognized for the period.

Long-term debt

	December 31,		(Favorable) Unfavorable Variance	
	2024	2023	Amount	%
Current	9,095.0	8,964.6	130.4	1.5%
Noncurrent	65,428.7	46,769.8	18,658.9	39.9%
	74,523.7	55,734.4	18,789.3	33.7%

Long-term debt increased by 33.7% or ₱18,789.3 million to ₱74,523.7 million as of December 31, 2024 from the ₱55,734.4 million balance as of December 31, 2023 mainly due to loan drawdowns, partly offset by the principal payments this period.

Lease liability

	December 31,		(Favorable) Unfavorable Variance	
	2024	2023	Amount	%
Current	620.4	166.3	454.1	273.1%
Noncurrent	4,164.0	157.6	4,006.4	2,542.1%
	4,784.4	323.9	4,460.5	1,377.1%

Lease liability increased by 1,377.1% or ₱4,460.5 million to ₱4,784.4 million as of December 31, 2024 from the ₱323.9 million balance as of December 31, 2023 mainly due to the rig lease agreements contracted in 2024.

Net retirement and other post-employment benefits

Net retirement and other post-employment benefits decreased by 7.1% or ₱187.6 million to ₱2,439.8 million as of December 31, 2024 from the ₱2,627.4 million balance as of December 31, 2023 mainly due to the increase in the fair value of plan assets.

Deferred tax liabilities - net

Deferred tax liabilities - net decreased by 30.7% or ₱41.4 million to ₱93.5 million as of December 31, 2024 from the ₱134.9 million balance as of December 31, 2023 mainly due to deferred tax related to EBWPC's derivatives.

Provisions and other long-term liabilities

Provisions and other long-term liabilities increased by 23.6% or ₱792.4 million to ₱4,147.7 million as of December 31, 2024 from the ₱3,355.3 million balance as of December 31, 2023 mainly from the proceeds received from the Joint Crediting Mechanism Program of the Ministry of Environment of Japan.

Net accumulated unrealized gain on financial assets at fair value through other comprehensive income

Net accumulated unrealized gain on financial assets at fair value through other comprehensive income increased by 9.1% or ₱9.1 million to ₱109.4 million as of December 31, 2024 from the ₱100.3 million balance as of December 31, 2023 mainly due to the increase in unrealized gain during the period.

Fair value adjustments on hedging transactions

Fair value adjustments on hedging transactions increased by 5,802.8% or ₱208.9 million to ₱212.5 million as of December 31, 2024 from the ₱3.6 million balance as of December 31, 2023 mainly due to the valuation of hedging transactions.

Cumulative translation adjustment

Cumulative translation adjustment increased by 17.8% or ₱282.9 million to ₱1,875.9 million as of December 31, 2024 from the ₱1,593.0 million balance as of December 31, 2023 mainly from the translation adjustment from international subsidiaries and local subsidiary with USD functional currency.

Retained Earnings

Unappropriated

Unappropriated retained earnings increased by 43.8% or ₱11,413.7 million to ₱37,464.8 million as of December 31, 2024 from the ₱26,051.1 million balance as of December 31, 2023 mainly due to the ₱43,795.6 million reversal of appropriation of retained earnings, ₱9,124.3 million net income attributable to the equity holders of the Parent Company, partly offset by the appropriation of retained earnings of ₱35,000.0 million and cash dividend of ₱6,493.5 million.

Appropriated

Appropriated retained earnings decreased by 20.1% or ₱8,795.6 million to ₱35,000.0 million as of December 31, 2024 from the ₱43,795.6 million balance as of December 31, 2023 mainly due to the reversal of appropriation of retained earnings of ₱43,795.6 million partly offset by the ₱35,000.0 million appropriation of retained earnings.

Non-controlling interests

Non-controlling interest decreased by 28.8% or ₱687.9 million to ₱1,700.4 million as of December 31, 2024 from the ₱2,388.3 million balance as of December 31, 2023 mainly due to FG Hydro's cash dividend of ₱804.9 million, partly offset by the ₱117.0 million share in net income.

As of December 31, 2023 vs. December 31, 2022 Balances

(Amounts in PHP millions)	December 2023	December 2022	HORIZONTAL ANALYSIS		VERTICAL ANALYSIS	
			Increase (Decrease)		December 2023	December 2022
			Amount	%		
ASSETS						
Current Assets						
Cash and cash equivalents	17,421.0	17,597.8	(176.8)	-1.0%	10.5%	11.7%
Financial assets at fair value through profit or loss	17.7	12.7	5.0	39.4%	0.0%	0.0%
Trade and other receivables	6,886.6	7,518.8	(632.2)	-8.4%	4.1%	5.0%
Due from related parties	41.7	30.9	10.8	35.0%	0.0%	0.0%
Parts and supplies inventories	8,492.0	7,875.1	616.9	7.8%	5.1%	5.3%
Derivative assets	34.3	44.4	(10.1)	-22.7%	0.0%	0.0%
Other current assets	6,141.8	1,682.7	4,459.1	265.0%	3.7%	1.1%
Total Current Assets	39,035.1	34,762.4	4,272.7	12.3%	23.5%	23.2%
Noncurrent Assets						
Property, plant and equipment	111,867.3	100,928.9	10,938.4	10.8%	67.3%	67.3%
Goodwill and intangible assets	3,424.9	3,632.1	(207.2)	-5.7%	2.1%	2.4%
Exploration and evaluation assets	2,151.0	2,039.3	111.7	5.5%	1.3%	1.4%
Deferred tax assets – net	875.5	754.4	121.1	16.1%	0.5%	0.5%
Derivative assets - net of current portion	233.5	326.3	(92.8)	-28.4%	0.1%	0.2%
Financial assets at fair value through other comprehensive income	289.0	295.0	(6.0)	-2.0%	0.2%	0.2%
Other noncurrent assets	8,376.8	7,258.1	1,118.7	15.4%	5.0%	4.8%
Total Noncurrent Assets	127,218.0	115,234.1	11,983.9	10.4%	76.5%	76.8%
TOTAL ASSETS	166,253.1	149,996.5	16,256.6	10.8%	100.0%	100.0%
LIABILITIES AND EQUITY						
LIABILITIES						
Current Liabilities						
Trade and other payables	20,483.8	15,461.9	5,021.9	32.5%	12.3%	10.3%
Due to related parties	1.7	2.0	(0.3)	-15.0%	0.0%	0.0%
Income tax payable	218.9	298.2	(79.3)	-26.6%	0.1%	0.2%
Current portion of:						
Long-term debts	8,964.6	8,881.5	83.1	0.9%	5.4%	5.9%
Lease liability	166.3	160.8	5.5	3.4%	0.1%	0.1%
Total Current Liabilities	29,835.3	24,804.4	5,030.9	20.3%	17.9%	16.5%
Noncurrent Liabilities						
Long-term debts - net of current portion	46,769.8	44,420.1	2,349.7	5.3%	28.1%	29.6%
Long-term lease liability - net of current portion	157.6	241.1	(83.5)	-34.6%	0.1%	0.2%
Net retirement and other post-employment benefits	2,627.4	1,759.7	867.7	49.3%	1.6%	1.2%
Derivative liabilities - net of current portion	-	-	-	-	-	-
Deferred tax liabilities - net	134.9	165.9	(31.0)	-18.7%	0.1%	0.1%
Provisions and other long-term liabilities	3,355.3	3,027.8	327.5	10.8%	2.0%	2.0%
Total Noncurrent Liabilities	53,045.0	49,614.6	3,430.4	6.9%	31.9%	33.1%
TOTAL LIABILITIES	82,880.3	74,419.0	8,461.3	11.4%	49.9%	49.6%
EQUITY						
Equity attributable to equity holders of the Parent Company						
Preferred stock	93.8	93.8	-	0.0%	0.1%	0.1%
Common stock	19,076.3	19,076.3	-	0.0%	11.5%	12.7%
Treasury Stock	(14,730.7)	(14,730.7)	-	0.0%	-8.9%	-9.8%
Additional paid-in capital	8,715.1	8,715.1	-	0.0%	5.2%	5.8%
Equity reserve	(3,706.4)	(3,706.4)	-	0.0%	-2.2%	-2.5%
Net accumulated unrealized gain on financial assets at fair value through other comprehensive income	100.3	70.1	30.2	43.1%	0.1%	0.0%
Fair value adjustments on hedging transactions	(3.6)	72.1	(75.7)	-105.0%	0.0%	0.0%
Cumulative translation adjustment	1,593.0	1,678.4	(85.4)	-5.1%	1.0%	1.1%
Retained earnings						
Unappropriated	26,051.1	24,774.9	1,276.2	5.2%	15.7%	16.5%
Appropriated	43,795.6	37,261.5	6,534.1	17.5%	26.3%	24.8%
Total Equity	80,984.5	73,305.1	7,679.4	10.5%	48.7%	48.9%
Non-controlling interests	2,388.3	2,272.4	115.9	5.1%	1.4%	1.5%
TOTAL EQUITY	83,372.8	75,577.5	7,795.3	10.3%	50.1%	50.4%
TOTAL LIABILITIES AND EQUITY	166,253.1	149,996.5	16,256.6	10.8%	100.0%	100.0%

The Group's total assets as of December 31, 2023, amounted to ₱166,253.1 million, 10.8% or ₱16,256.6 million higher than the December 31, 2022 year-end level of ₱149,996.5 million. The Group's debt ratio is 0.40:1 as of December 31, 2023, lower than previous year's 0.41:1. This year's current ratio of 1.31:1 was lower than previous year's 1.40:1.

Cash and cash equivalents

Cash and cash equivalents decreased by 1.0% or ₱176.8 million to ₱17,421.0 million as of December 31, 2023 from the ₱17,597.8 million balance as of December 31, 2022 mainly due to the acquisitions of property, plant and equipment (₱18,047.9 million), payments of long-term debts (₱9,591.2 million), payments of cash dividends (₱5,792.6 million), payments of interest and other financial charges (₱2,920.3 million), increase in other noncurrent assets (₱1,185.4 million), payments of lease liabilities (₱143.6 million), acquisitions of exploration and evaluation assets (₱116.2 million), and acquisitions of intangible assets (₱70.6 million). These were partly offset by the net cash generated from operations (₱25,031.8 million), proceeds from availment of long-term debts (₱11,926.4 million), and interest received (₱751.4 million).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss increased by 39.4% or ₱5.0 million to ₱17.7 million as of December 31, 2023 from the ₱12.7 million balance as of December 31, 2022 mainly due the changes in fair value.

Trade and other receivables

Trade and other receivables decreased by 8.4% or ₱632.2 million to ₱6,886.6 million as of December 31, 2023 from the ₱7,518.8 million balance as of December 31, 2022 mainly due the decrease in the balance of receivables from customers (₱1,088.9 million), partly offset by the increase non-trade accounts receivables (₱508.6 million).

Due from related parties

Due from related parties increased by 35.0% or ₱10.8 million to ₱41.7 million as of December 31, 2023 from the ₱30.9 million balance as of December 31, 2022 mainly from the transactions with First Gen Energy Solutions.

Parts and supplies inventories

Parts and supplies inventories increased by 7.8% or ₱616.9 million to ₱8,492.0 million as of December 31, 2023 from the ₱7,875.1 million as of December 31, 2022 mainly due to the various materials and supplies purchased during the period.

Derivative assets

	December 31,		Favorable (Unfavorable) Variance	
	2023	2022	Amount	%
Current	34.3	44.4	(10.1)	-22.7%
Noncurrent	233.5	326.3	(92.8)	-28.4%
	267.8	370.7	(102.9)	-27.8%

Derivative assets decreased by 27.8% or ₱102.9 million to ₱267.8 million as of December 31, 2023 from the ₱370.7 million balance as of December 31, 2022 mainly due to the valuation adjustments for the period.

Other current assets

Other current assets increased by 265.0% or ₱4,459.1 million to ₱6,141.8 million as of December 31, 2023 from the ₱1,682.7 million balance as of December 31, 2022 mainly due to the increase in short-term investments, creditable withholding taxes, other prepaid expenses and advances to contractors.

Property, plant and equipment

Property, plant and equipment increased by 10.8% or ₱10,938.4 million to ₱111,867.3 million as of December 31, 2023 from the ₱100,928.9 million balance as of December 31, 2022 mainly due to the ₱18,121.1 million additions, partly offset by the ₱7,065.3 million depreciation and amortization.

Goodwill and intangible assets

Goodwill and intangible assets decreased by 5.7% or ₱207.2 million to ₱3,424.9 million as of December 31, 2023 from the ₱3,632.1 million balance in December 31, 2022 mainly due to the amortization and allowance for impairment for the period (₱275.7 million), partly offset by the additions for the period (₱70.6 million).

Exploration and evaluation assets

Exploration and evaluations assets increased by 5.5% or ₱111.7 million to ₱2,151.0 million as of December 31, 2023 from the ₱2,039.3 million balance as of December 31, 2022 mainly due to the additions for the period.

Deferred tax assets - net

Deferred tax assets - net increased by 16.1% or ₱121.1 million to ₱875.5 million as of December 31, 2023 from the ₱754.4 million balance as of December 31, 2022 mainly due to deferred tax related to retirement benefit obligations.

Other noncurrent assets

Other noncurrent assets increased by 15.4% or ₱1,118.7 million to ₱8,376.8 million as of December 31, 2023 from the ₱7,258.1 million balance as of December 31, 2022 mainly due to the increase in input value-added tax from both local purchases and importation, and from the increase in advances to contractors.

Trade and other payables

Trade and other payables increased by 32.5% or ₱5,021.9 million to ₱20,483.8 million as of December 31, 2023 from ₱15,461.9 million as of December 31, 2022 mainly due to the increase in trade payables to suppliers and contractors.

Due to related parties

Due to related parties decreased by 15.0% or ₱0.3 million to ₱1.7 million as of December 31, 2023 from the ₱2.0 million balance as of December 31, 2022 mainly due to the transactions with First Gen Corporation.

Income tax payable

Income tax payable decreased by 26.6% or ₱79.3 million to ₱218.9 million as of December 31, 2023 from the ₱298.2 million balance as of December 31, 2022 mainly due to the lower current income tax expense recognized for the period.

Long-term debt

	December 31,		(Favorable) Unfavorable Variance	
	2023	2022	Amount	%
Current	8,964.6	8,881.5	83.1	0.9%
Noncurrent	46,769.8	44,420.1	2,349.7	5.3%
	55,734.4	53,301.6	2,432.8	4.6%

Long-term debt increased by 4.6% or ₱2,432.8 million to ₱55,734.4 million as of December 31, 2023 from the ₱53,301.6 million balance as of December 31, 2022 mainly due to loan drawdowns, partly offset by the principal payments this period.

Lease liability

	December 31,		(Favorable) Unfavorable Variance	
	2023	2022	Amount	%
Current	166.3	160.8	5.5	3.4%
Noncurrent	157.6	241.1	-83.5	-34.6%
	323.9	401.9	-78.0	-19.4%

Lease liability decreased by 19.4% or ₱78.0 million to ₱323.9 million as of December 31, 2023 from the ₱401.9 million balance as of December 31, 2022 mainly due to the payments of lease liabilities during the year.

Net retirement and other post-employment benefits

Net retirement and other post-employment benefits increased by 49.3% or ₱867.7 million to ₱2,627.4 million as of December 31, 2023 from the ₱1,759.7 million balance as of December 31, 2022 mainly due to the increase in defined benefits obligation, primarily from changes in financial assumptions.

Deferred tax liability - net

Deferred tax liability - net decreased by 18.7% or ₱31.0 million to ₱134.9 million as of December 31, 2023 from the ₱165.9 million balance as of December 31, 2022 mainly due to deferred tax related to EBWPC's derivatives and movement of foreign exchange rate.

Provisions and other long-term liabilities

Provisions and other long-term liabilities increased by 10.8% or ₱327.5 million to ₱3,355.3 million as of December 31, 2023 from the ₱3,027.8 million balance as of December 31, 2022 mainly due to the increase in asset retirement obligation and from the proceeds received from the Joint Crediting Mechanism Program of the Ministry of Environment of Japan.

Net accumulated unrealized gain on financial assets at fair value through other comprehensive income

Net accumulated unrealized gain on financial assets at fair value through other comprehensive income increased by 43.1% or ₱30.2 million to ₱100.3 million as of December 31, 2023 from the ₱70.1 million balance as of December 31, 2022 mainly due to the increase in unrealized gain during the period.

Fair value adjustments on hedging transactions

Fair value adjustments on hedging transactions turnaround by 105.0% or ₱75.7 million to (₱3.6) million as of December 31, 2023 from the ₱72.1 million balance as of December 31, 2022 mainly due to the valuation of hedging transactions.

Cumulative translation adjustment

Cumulative translation adjustment decreased by 5.1% or ₱85.4 million to ₱1,593.0 million as of December 31, 2023 from the ₱1,678.4 million balance as of December 31, 2022 mainly due to the translation adjustment from international subsidiaries and local subsidiary with USD functional currency.

Retained Earnings

Unappropriated

Unappropriated retained earnings increased by 5.2% or ₱1,276.2 million to ₱26,051.1 million as of December 31, 2023 from the ₱24,774.9 million balance as of December 31, 2022 mainly due to the ₱14,267.2 million net income attributable to the equity holders of the Parent Company and ₱8,465.9 million reversal of appropriation of retained earnings, partly offset by the appropriation of retained earnings of ₱15,000.0 million and cash dividend of ₱5,792.6 million.

Appropriated

Appropriated retained earnings increased by 17.5% or ₱6,534.1 million to ₱43,795.6 million as of December 31, 2023 from the ₱37,261.5 million balance as of December 31, 2022 was mainly due to the appropriation of retained earnings of ₱15,000.0 million partly offset by ₱8,465.9 million reversal of appropriation of retained earnings.

Non-controlling interests

Non-controlling interest increased by 5.1% or ₱115.9 million to ₱2,388.3 million as of December 31, 2023 from the ₱2,272.4 million balance as of December 31, 2022 mainly due to the ₱124.4 million share in net income and (₱8.5) million remeasurements of retirement and other post-employment benefits.

Cash Flows

2024 vs. 2023

Net cash flows from operating activities decreased by 17.7% or ₱4,434.0 million to ₱20,597.8 million in 2024 from ₱25,031.8 million in 2023 mainly due to the following movements:

- lower operating income before working capital changes (₱4,967.9 million),
- higher increase in parts and supplies inventories (₱3,809.3 million),
- lower increase in trade and other payables (₱3,458.9 million), and
- increase in trade and other receivables, from decrease in 2023 (₱952.7 million).

These were partly offset by:

- decrease of other current assets, from increase in 2023 (₱7,596.1 million), primarily from short-term investments,
- decrease in income tax paid including creditable withholding tax (₱585.5 million), and
- higher decrease in provisions and other long-term liabilities (₱547.3 million).

Net cash flows used in investing activities increased by 69.2% or ₱12,887.7 million to ₱31,514.3 million in 2024 from the ₱18,626.6 million in 2023 mainly due to the:

- higher acquisitions of property, plant and equipment (₱10,435.5 million),
- higher additions to other noncurrent assets (₱1,929.4 million), and
- higher acquisitions of exploration and evaluation assets (₱377.2 million).

Net cash flows from financing activities increased by 208.0% or ₱13,564.3 million to net cash inflow of ₱7,043.0 million in 2024 from the net cash outflow of ₱6,521.3 million in 2023 mainly due to the higher proceeds from availment of long-term debts (₱22,885.3 million) and unwinding of derivatives (₱277.2 million), partly offset by the higher payments of long-term debts (₱7,153.9 million), payments for cash dividends (₱1,505.8 million), interest and other financial charges (₱508.0 million), and lease liability (₱329.2 million).

2023 vs. 2022

Net cash flows from operating activities increased by 14.8% or ₱3,223.3 million to ₱25,031.8 million in 2023 from ₱21,808.5 million in 2022 mainly due to the following movements:

- higher operating income before working capital changes (₱2,810.7 million),
- higher increase in trade and increase in other payables (₱2,558.6 million),
- decrease in trade and other receivables, from increase in 2022 (₱2,107.5 million), and
- lower increase in parts and supplies inventories (₱811.1 million).

These were partly offset by:

- increase of other current assets (₱4,364.4 million), primarily from short-term investments,
- lower decrease in provisions and other long-term liabilities (₱353.9 million), and
- increase in income tax paid including creditable withholding tax (₱288.6 million).

Net cash flows used in investing activities increased by 97.4% or ₱9,191.0 million to ₱18,626.6 million in 2023 from the ₱9,435.6 million in 2022 mainly due to the:

- higher acquisitions of property, plant and equipment (₱8,185.7 million),
- lower proceeds from redemption of financial assets at FVPL (₱3,326.5 million)
- higher additions to other noncurrent assets (₱685.3 million).

These were partly offset by the decrease in acquisitions of financial assets at FVPL (₱2,458.5 million) and increase in interest received (₱502.8 million).

Net cash flows used in financing activities decreased by 25.5% or ₱2,227.5 million to ₱6,521.3 million in 2023 from the ₱8,748.8 million in 2022 mainly due to the lower payments of long-term debts (₱4,697.2 million), partly offset by the lower proceeds from availment of long-term debts (₱1,655.1 million), higher payments for dividends (₱499.1 million) and interest and other financial charges (₱253.0 million).

Selected Financial Data

Financial Statements			
(Amounts in PHP millions)	2024	2023	2022
a) Cash and Cash Equivalents			
Cash on hand and in bank (Peso)	5,006.1	5,252.2	6,915.6
Cash in bank (US\$)	1,115.6	436.5	855.6
Cash in bank (JPY)	474.5	20.1	426.7
Cash in bank (CHP)	0.4	1.9	5.7
Cash in bank (PEN)	22.6	14.0	3.6
Cash in bank (IDR)	5.5	2.7	19.4
Marketable securities (Peso)	2,494.5	9,949.0	7,523.9
Marketable securities (US\$)	4,460.2	1,744.6	1,847.3
Total	13,579.4	17,421.0	17,597.8
b) Accounts Receivables – Others			
Non-trade accounts receivable	879.9	974.8	466.1
Loans and notes receivable	45.3	45.3	43.6
Advances to employees	39.2	52.0	42.0
Total	964.4	1,072.1	551.7
c) General and Administrative Expenses			
Purchased services and utilities	3,189.6	2,845.1	2,445.6
Personnel costs	2,317.7	2,088.0	1,784.6
Business and related expenses	1,053.8	900.9	408.1
Rental, insurance and taxes	579.4	161.2	472.5
Depreciation and amortization	347.5	346.7	324.3
Provision for impairment of trade and other receivables, prepaid taxes and others	332.1	31.2	688.5
Provision for impairment of parts and supplies inventories	138.9	(69.8)	20.7
Parts and supplies issued	125.1	107.4	186.4
Repairs and maintenance	96.0	155.1	71.9
Provision for impairment of goodwill, property, plant and equipment and exploration and evaluation	–	282.4	–
Total	8,180.1	6,848.2	6,402.6
d) Interest Income, Interest Expense and Others			
Interest income	588.7	818.3	258.1
Interest expense	(3,651.4)	(3,179.7)	(2,872.6)
Foreign exchange gains (losses) – net	51.2	10.3	(43.9)
Miscellaneous income (charges) – net	3.6	569.3	(126.3)
Total	(3,007.9)	(1,781.8)	(2,784.7)

Discussion of the Subsidiaries

Green Core Geothermal Inc.

(Amounts in PHP millions)	For the years ended December 31	
	2024	2023
Revenue	19,587.8	18,131.2
Costs of sale of electricity	(17,076.6)	(15,330.6)
General and administrative expenses	(1,072.3)	(766.4)
Other income (charges) - net	284.1	80.8
Income before income tax	1,723.0	2,115.0
Provision for income tax	(89.9)	(218.9)
Net income	1,634.1	1,896.1
	As of	
	December 31, 2024	December 31, 2023
Total current assets	4,170.1	4,613.8
Total noncurrent assets	14,006.7	13,327.2
Total current liabilities	5,275.5	6,608.2
Total noncurrent liabilities	91.7	161.3
Total equity	12,809.6	11,171.5

Revenue increased by 8.0% or ₱1,456.6 million, to ₱19,587.8 million for the year ended December 31, 2024 from ₱18,131.2 million in 2023 due to higher average sales price (₱1,741.0 million), partly offset by lower sales volume (₱284.4 million).

Cost of sale of electricity increased by 11.4 % or ₱1,746.0 million, to ₱17,076.6 million for the year ended December 31, 2024 from ₱15,330.6 million in 2023 mainly due to higher purchased services and utilities (₱1,370.0 million), higher cost of steam (₱500.0 million), offset by lower replacement power cost (₱97.1 million).

General and administrative expenses increased by 39.9% or ₱305.9 million, to ₱1,072.3 million for the year ended December 31, 2024 from ₱766.4 million in 2023 mainly due to higher other non-cash provision (₱108.4 million), higher business and related expenses (₱101.5 million), higher rental, insurance and taxes (₱64.6 million) and higher purchased services and utilities (₱34.4 million).

Other income (charges) - net increased by 251.6% or ₱203.3 million, to ₱284.1 million for the year ended December 31, 2024 from ₱80.8 million in 2023 mainly due to higher miscellaneous income (₱256.5 million), offset by lower interest income (₱43.8 million) and lower foreign exchange gain (₱8.8 million).

Provision for income tax decreased by 59.4% or ₱130.0 million, to ₱88.9 million for the year ended December 31, 2024 from ₱218.9 million in 2023 on account of lower taxable income.

Total current assets decreased by 9.6% or ₱443.7 million, to ₱4,170.1 million as of December 31, 2024 from ₱4,613.8 million as of December 31, 2023 mainly due to lower cash and cash equivalents (₱470.9 million), lower other current assets (₱396.1 million), offset by higher trade and other receivables (₱393.6 million) and higher parts and supplies inventories (₱43.6 million).

Total noncurrent assets increased by 5.1% or ₱679.5 million, to ₱14,006.7 million as of December 31, 2024 from ₱13,327.2 million as of December 31, 2023 mainly due to higher other noncurrent assets (₱530.8 million), higher property, plant and equipment (₱138.0 million), and higher deferred tax assets (₱11.5 million).

Total current liabilities decreased by 20.2% or ₱1,332.7 million, to ₱5,275.5 million as of December 31, 2024 from ₱6,608.2 million as of December 31, 2023, mainly due to lower trade and other payables (₱1,339.4 million).

Total noncurrent liabilities decreased by 43.1% or ₱69.6 million, to ₱91.7 million as of December 31, 2024 from ₱161.3 million as of December 31, 2023 mainly due to lower other noncurrent liabilities (₱38.4 million) and lower net retirement and other post-retirement benefits (₱29.2 million).

Total equity increased by 14.7% or ₱1,638.1 million, to ₱12,809.6 million as of December 31, 2024 from ₱11,171.5 million as of December 31, 2023, mainly due to this year's net income (₱1,634.1 million).

Bac-Man Geothermal Inc.

(Amounts in PHP millions)	For the years ended December 31	
	2024	2023
Revenue	11,110.4	9,911.6
Costs of sale of electricity	(9,030.1)	(8,112.0)
General and administrative income (expenses)	(438.1)	572.0
Other income - net	109.2	87.0
Income before income tax	1,751.4	2,458.6
Provision for income tax	(135.8)	(250.2)
Net income	1,615.6	2,208.4
	As of	
	December 31, 2024	December 31, 2023
Total current assets	5,598.2	6,889.3
Total noncurrent assets	13,685.5	10,879.7
Total current liabilities	2,481.2	3,321.7
Total noncurrent liabilities	1,347.1	928.0
Total equity	15,455.4	13,519.3

Revenue increased by 12.1% or ₱1,198.8 million to ₱11,110.4 million for the year ended December 31, 2024 from ₱9,911.6 million in 2023. The favorable variance was due to increase in average price (₱601.3 million) and higher sales volume (₱597.5 million).

Cost of sale of electricity increased by 11.3% or ₱918.1 million to ₱9,030.1 million for the year ended December 31, 2024 from ₱8,112.0 million in 2023. The increase was primarily attributed to higher purchased services and utilities (₱1,051.0 million) and higher steam purchase (₱27.6 million), partly offset by lower depreciation and amortization (₱144.1 million), and repairs and maintenance (₱23.4 million).

General and administrative income (expense) turnaround by 176.6% or ₱1,010.1 million to ₱438.1 million general and administrative expense for the year ended December 31, 2024 from the general and administrative income of ₱572.0 million in 2023. This was mainly due to the turnaround of the provision for doubtful account by ₱866.0 million to ₱10.3 million expense from the net reversal of ₱855.7 million. General and administrative expense also increased from higher rental, insurance and taxes (₱98.5 million), business and related expenses (₱23.0 million) and purchased services and utilities (₱16.2 million).

Other income (charges) - net increased by 25.5% or ₱22.2 million to ₱109.2 million for the year ended December 31, 2024 from ₱87.0 million in 2023. The favorable variance was mainly contributed by the increase in interest income by ₱13.2 million, 2024's foreign exchange gain of ₱24.5 million versus foreign exchange loss of ₱14.8 million in 2023. These were partly offset by higher miscellaneous expense by ₱30.3 million to miscellaneous expense of ₱36.1 million in 2024 from miscellaneous income of ₱5.8 million in 2023.

Total current assets decreased by 18.7% or ₱1,291.1 million to ₱5,598.2 million as of December 31, 2024 from ₱6,889.3 million as of December 31, 2023. The decrease was attributed to the lower cash and cash equivalents (₱1,143.3 million), decrease of other current assets particularly on short-term investment (₱228.6 million), and decrease of due from related parties (₱70.4 million), partially offset by increase of parts and supplies inventories (₱75.7 million) and increase of trade and other receivable (₱75.4 million).

Total noncurrent assets increased by 25.8% or ₱2,805.8 million to ₱13,685.5 million as of December 31, 2024 from ₱10,879.7 million as of December 31, 2023. The increase was attributed to additional capital expenditures (₱2,955.1 million) and increase of other non-current assets (₱126.5 million), reduced by this period's depreciation of plant, property and equipment (₱266.4 million).

Total current liabilities decreased by 25.3% or ₱840.5 million to ₱2,481.2 million as of December 31, 2024 from ₱3,321.7 million as of December 31, 2023. The decrease was attributed to the decrease of trade and other payables (₱735.9 million) and income tax payable (₱104.6 million).

Total noncurrent liabilities increased by 45.2% or ₱419.1 million to ₱1,347.1 million as of December 31, 2024 from ₱928.0 million as of December 31, 2023. The increase was mainly contributed by the increase of other long-term liabilities (₱431.6 million) partly offset by decrease in net retirement and other post-employment (₱12.5 million).

Total equity increased by 14.3% or ₱1,936.1 million to ₱15,455.4 million as of December 31, 2024 from ₱13,519.3 million as of December 31, 2023, due to this year's net income (₱1,615.6 million) and increase in additional paid-in capital (₱315.8 million).

EDC Burgos Wind Power Corporation

(Amounts in USD millions)	For the years ended December 31	
	2024	2023
Revenue	45.8	62.3
Costs of sale of electricity	(28.7)	(28.1)
General and administrative expenses	(3.1)	(2.6)
Other charges - net	(11.6)	(9.5)
Income before income tax	2.4	22.1
Provision for income tax	(1.7)	(3.0)
Net income	0.7	19.1
	As of	
	December 31, 2024	December 31, 2023
Total current assets	37.2	33.5
Total noncurrent assets	251.8	278.6
Total current liabilities	18.5	33.0
Total noncurrent liabilities	124.1	129.9
Total equity	146.4	149.2

Revenue decreased by 26.5% or US\$16.5 million to US\$45.8 million for the year ended December 31, 2024, from US\$62.3 million in 2023 mainly due to the lower actual generation for the period due to low wind season caused by El Niño and weak Southwest Monsoon.

Costs of sale of electricity increased by 2.1% or US\$0.6 million to US\$28.7 million for the year ended December 31, 2024, from US\$28.1 million in 2023 mainly due to the higher repairs and maintenance (US\$1.4 million) and rental, insurance and taxes (US\$0.2 million), partly offset by lower depreciation and amortization (US\$0.5 million), purchased services and utilities (US\$0.2 million), and government share (US\$0.1 million).

General and administrative expenses increased by 19.2% or US\$0.5 million to US\$3.1 million for the year ended December 31, 2024, from US\$2.6 million in 2023 mainly due to higher purchased services and utilities (US\$0.3 million) and rental, insurance, and taxes (US\$0.2 million).

Other charges - net increased by 22.1% or US\$2.1 million to US\$11.6 million for the year ended December 31, 2024, from US\$9.5 million in 2023 mainly due to the higher net miscellaneous charges (US\$2.6 million), partly offset by lower foreign exchange loss (US\$0.3 million) and lower net finance charges (US\$0.2 million).

Total current assets increased by 11.0% or US\$3.7 million to US\$37.2 million as of December 31, 2024, from US\$33.5 million as of December 31, 2023, mainly due to the increase in cash and cash equivalents (US\$4.3 million), and other current assets (US\$0.8 million), partly offset by the decrease in trade and other receivables (US\$0.7 million) and derivative assets (US\$0.6 million).

Total noncurrent assets decreased by 9.6% or US\$26.8 million to US\$251.8 million as of December 31, 2024, from US\$278.6 million as of December 31, 2023, mainly due to the net decrease in the book value of property, plant and equipment (US\$20.1 million), non-current derivative assets (US\$4.2 million) and other noncurrent assets (US\$2.5 million).

Total current liabilities decreased by 43.9% or US\$14.5 million to US\$18.5 million as of December 31, 2024, from US\$33.0 million as of December 31, 2023, mainly due to the decrease in current portion of long-term debts (US\$16.6 million) and income tax payable (US\$0.2 million), partly offset by the increase in trade and other payables (US\$2.3 million).

Total noncurrent liabilities decreased by 4.5% or US\$5.8 million to US\$124.1 million as of December 31, 2024, from US\$129.9 million as of December 31, 2023, mainly due to the decrease of long-term debt (US\$5.0 million) and deferred tax liabilities - net (US\$0.9 million).

Total equity decreased by 1.9% or US\$2.8 million to US\$146.4 million as of December 31, 2024, from US\$149.2 million as of December 31, 2023, mainly due to the movement in cumulative translation adjustments (US\$3.6 million), offset by net income during the year (US\$0.7 million).

Unified Leyte Geothermal Energy Inc.

(Amounts in PHP millions)	For the years ended December 31	
	2024	2023
Revenue	–	–
Costs of sale of electricity	–	–
General and administrative expenses	(1.2)	(1.3)
Other income - net	4.9	–
Loss before income tax	3.7	(1.3)
Net income (loss)	3.7	(1.3)
	As of	
	December 31, 2024	December 31, 2023
Total current assets	–	54.2
Total noncurrent assets	14.8	15.4
Total current liabilities	4.9	63.4
Total equity	9.9	6.2

General and administrative expenses decreased by 7.7% or ₱0.1 million to ₱1.2 million for the period ended December 31, 2024 from ₱1.3 million in 2023 due to lower local taxes.

Other income increased by ₱4.9 million to ₱4.9 million for the year ended December 31, 2024 of ₱4.9 million from nil in 2023. This pertained to the billing adjustment on 2021 line rental subsidy. The Independent Power Producer Agreement of ULGEI with PSALM expired on July 25, 2021.

Total current assets decreased by 100.0% or ₱54.2 million from ₱54.2 million as of December 31, 2023 due to the collection of ₱45.2 million trade account receivables and full utilization of ₱8.9 million cash to settle trade payables.

Total noncurrent assets decreased by 3.9% or ₱0.6 million to ₱14.8 million as of December 31, 2024 from ₱15.4 million as of December 31, 2023, mainly due to the decrease in other non-current assets.

Total current liabilities decreased by 92.3% or ₱58.5 million to ₱4.9 million as of December 31, 2024 from ₱63.4 million as of December 31, 2023 mainly due to the decrease in trade and other payables.

Total equity increased by 59.7% or ₱3.7 million to ₱9.9 million as of December 31, 2024 from ₱6.2 million as of December 31, 2023 due to the net income for the period of ₱3.7 million.

EDC Siklab Power Corporation

(Amounts in PHP millions)	For the years ended December 31	
	2024	2023
Revenue	32.3	27.9
Costs of sale of electricity	(18.2)	(16.2)
General and administrative expenses	(8.5)	(6.1)
Other income - net	0.1	-
Income before income tax	5.7	5.6
Provision for income tax	(2.1)	(1.1)
Net income	3.6	4.5
	As of	
	December 31, 2024	December 31, 2023
Total current assets	123.1	100.7
Total noncurrent assets	243.6	256.8
Total current liabilities	9.9	4.3
Total equity	356.8	353.2

Revenue increased by 15.8% or ₱4.4 million to ₱32.3 million for the year ended December 31, 2024 from ₱27.9 million in 2023 due to higher sales volume.

Cost of sale of electricity increased by 12.3% or ₱2.0 million to ₱18.2 million for the year ended December 31, 2024 from ₱16.2 million in 2023 due to higher purchased services & utilities (₱2.6 million), and business and related expenses (₱0.4 million), partly offset by lower repairs and maintenance (₱1.1 million).

General and administrative expenses increased by 39.3% or ₱2.4 million to ₱8.5 million for the year ended December 31, 2024 from ₱6.1 million in 2023 due to higher provision for doubtful accounts (₱2.1 million) and rental, insurance and taxes (₱0.2 million).

Total current assets increased by 22.2% or ₱22.4 million to ₱123.1 million as of December 31, 2024 from ₱100.7 million as of December 31, 2023 due to higher cash and cash equivalents (₱21.5 million), and trade and other receivables (₱0.9 million).

Total non-current assets decreased by 5.1% or ₱13.2 million to ₱243.6 million as of December 31, 2024 from ₱256.8 million as of December 31, 2023 due to lower property, plant and equipment (₱10.7 million) and other non-current assets (₱2.5 million).

Total current liabilities increased by 130.2% or ₱5.6 million to ₱9.9 million as of December 31, 2024 from ₱4.3 million as December 31, 2023 due to higher trade and other payables (₱5.9 million), partly offset by lower due to related party (₱0.3 million).

Total equity increased by 1.0% or ₱3.6 million to ₱356.8 million as of December 31, 2024, from ₱353.2 million as of December 31, 2023 due to this year's net income (₱3.6 million).

First Gen Hydro Power Corporation

(Amounts in PHP millions)	For the years ended December 31	
	2024	2023
Revenue	1,521.8	2,132.8
Costs of sale of electricity	(941.4)	(1,453.0)
General and administrative expenses	(449.3)	(443.5)
Operating income	131.1	236.3
Net income	296.3	333.9
	As of	
	December 31, 2024	December 31, 2023
Total assets	4,492.1	6,244.1
Total liabilities	177.0	210.0
Total equity	4,315.1	6,034.1

Revenue decreased by 28.6% or ₱611.0 million to ₱1,521.8 million for the year ended December 31, 2024 from ₱2,132.8 million in 2023. The decrease was primarily due to low water reservoir levels that resulted in lower generation coupled with lower average WESM selling prices. This was partially offset by an increase in contract prices and ancillary service prices in the Reserve Market, which commenced in January 2024 (but was suspended in March 2024 and later on the suspension was lifted in August 2024).

Cost of sale of electricity decreased by 35.2% or ₱511.6 million to ₱941.4 million for the year ended December 31, 2024 from ₱1,453.0 million in 2023. The decrease was mainly due to lower replacement power purchases from WESM, and lower depreciation expenses due to the extension of the remaining useful life of the major assets of the Pantabangan and Masiway hydroelectric power plants.

General and administrative expenses increased by 1.3% or ₱5.8 million to ₱449.3 million for the year ended December 31, 2024 from ₱443.5 million in 2023 mainly on account of higher costs of manpower and other services.

Net income decreased by 11.3% or ₱37.6 million to ₱296.3 million for the period ended December 31, 2024 from ₱333.9 million in 2023 mainly due to a lower operating income, partially offset by higher other income from WESM passed-through charges and foreign exchange gains (as compared to foreign exchange losses in 2023).

Total assets decreased by 28.1% or ₱1,752.0 million, to ₱4,492.1 million as of December 31, 2024 from ₱6,244.1 million as of December 31, 2023. The decrease was mainly on account of the declaration and payment of cash dividends to shareholders in September 2024.

Total liabilities decreased by 15.7%, or ₱33.0 million to ₱177.0 million as of December 31, 2024 from ₱210.0 million as of December 31, 2023 primarily due to lower balances of outstanding trade payables and retirement liability.

Total equity decreased by 28.5%, or ₱1,719.0 million to ₱4,315.1 million as of December 31, 2024 from ₱6,034.1 million as of December 31, 2023 mainly from the declaration of cash dividends to common shareholders, partially offset by the net income earned during the period.

Top Eight (8) Key Performance Indicators

Ratio	December 2024	December 2023
Current Ratio	1.15:1	1.31:1
Debt-to-Equity Ratio	0.87:1	0.67:1
Net Debt-to-Equity Ratio	0.71:1	0.46:1
Return on Assets (%)	5.14	9.10
Return on Equity (%)	10.96	18.11
Solvency Ratio	0.23	0.39
Interest Rate Coverage Ratio	3.74	5.78
Asset-to-Equity Ratio	2.27	1.99

Current Ratio – Total current assets divided by total current liabilities. This ratio is a rough indication of a company's ability to pay its short-term obligations. Generally, a current ratio above 1.00 is indicative of a company's greater capability to settle its current obligations.

Debt-to-Equity Ratio – Total interest-bearing debts divided by stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners. The higher the ratio, the greater the risk being assumed by the creditors. A lower ratio generally indicates greater long-term financial safety.

Net-Debt-to-Equity Ratio – Total interest-bearing debts less cash and cash equivalents divided by stockholders' equity. This ratio measures the company's financial leverage and stability. A negative net debt-to-equity ratio means that the total of cash and cash equivalents exceeds interest-bearing liabilities.

Return on Assets – Net income (annual basis) divided by total assets (average). This ratio indicates how profitable a company is relative to its total assets. This also gives an idea as to how efficient management is at using its assets to generate earnings.

Return on Equity – Net income (annual basis) divided by total stockholders' equity (average). This ratio reveals how much profit a company earned in comparison to the total amount of shareholder equity found on the balance sheet. A business that has a high return on equity is more likely to be one that is capable of internally generating cash. For the most part, the company's return on equity is compared with an industry average. The company is considered superior if its return on equity is greater than the industry average.

Solvency Ratio – Net income excluding depreciation and non-cash provisions divided by total interest-bearing debts. This ratio gauges a company's ability to meet its long-term obligations.

Interest Rate Coverage Ratio – Earnings before interest and taxes of one period divided by interest expense of the same period. This ratio determines how easily a company can pay interest on outstanding debt.

Asset-to-Equity Ratio – Total assets divided by total stockholders' equity. This ratio shows a company's leverage, the amount of debt used to finance the firm.

Other Disclosures

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

EDC has outstanding long-term loans with different financial institutions for its various development projects and working capital requirements which have defined events of default provisions that could accelerate the repayment of loan obligations.

In October 2014, EBWPC signed a US\$315.0 million financing agreement with a group of foreign and local banks for the construction of the 150-MW Burgos Wind Project (“BWP”) in Ilocos Norte. The facility, which consists of 60% US dollar and 40% Philippine peso tranches, will mature in fifteen (15) years.

Eksport-og Investeringsfond (formerly known as Eksport Kredit Fonden or EKF), Denmark’s export credit agency, guaranteed a part of the dollar loan component. The Mandated Lead Arrangers for the foreign tranche are Australia and New Zealand Banking Group Limited (“ANZ”), DZ Bank AG, ING Bank, a branch of ING DiBa AG, ING Bank NV., Singapore Branch, Malayan Banking Berhad (Maybank) and Norddeutsche Landesbank Girozentrale. The peso tranche meanwhile was arranged by PNB Capital and Investment Corporation and SB Capital Investment Corporation among a syndicate of local lenders namely BDO, Land Bank of the Philippines, Philippine National Bank, and Security Bank Corporation.

Under the agreement of the BWP Project Financing, EBWPC’s debt service shortfall is guaranteed by EDC. This guarantee will fall away once the conditions set in the loan agreement are met. Therefore, until the debt service guarantee falls away, EBWPC is subject to the same covenant ratios of EDC in addition to its own maintenance ratios under the project financing agreement. Furthermore, for the lender’s security, a debt service reserve account was initially maintained by EBWPC. In August 2019, EBWPC replaced the debt service reserve account with stand-by letters of credit issued in favor of the EBPWC lenders.

In November 2015, the Asian Development Bank became part of the project financing through pro-rata assignment of up to US\$20.0 million of the following international lenders’ credit: ANZ, DZ Bank AG, ING Bank, a branch of ING DiBa AG, ING Bank, N.V., Singapore Branch and Norddeutsche Landesbank Girozentrale.

Last December 2024, EBWPC voluntarily prepaid the principal outstanding of the BWP Project Financing. It subsequently signed and availed US\$80.0 million and ₱2.7 billion term loans with Mizuho Bank, Ltd. - Singapore Branch and BDO Unibank, Inc., respectively. Under the term loan agreements, any debt service shortfall amount is guaranteed by EDC.

EDC also has outstanding (a) fifteen (15)-year loans with IFC maturing in 2025 and 2033; (b) three (3)-year, five (5)-year, and seven (7)-year SEC-registered ASEAN Green Bonds that were issued in two tranches in 2021 and 2024, maturing in 2026, 2027, 2029, and 2031; and (c) five (5)-year, ten (10)-year and fifteen (15)-year loans with various local banks.

Under EDC’s various loan agreements and trust indenture for its bonds, the EDC is restricted from directly or indirectly creating liens upon its assets and revenues, making capital expenditures, and making loans or advances, subject to certain exceptions. Its various term loans also require compliance with financial ratios specifically for (1) equity distribution, and (2) debt incurrence.

The loan agreements and trust indentures are also subject to cross-default and cross-acceleration in the event of a failure of payment, a default or a violation of any obligation that would result in the acceleration of payment under any other financial indebtedness of the company, or one for which the company has agreed to act as guarantor, surety or accommodation party in the same

amount or more. The agreement however is only subject to cross-default and cross-acceleration if the amount involved in the occurrence of one or more of the above events or breaches is at least US\$10.0 million.

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

During the reporting period, there were no off-balance sheet transactions, arrangements and obligations with unconsolidated entities or persons.

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

During the reporting period, there were no known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way.

- iv. Any material commitments for capital expenditures, general purpose of such commitments, and the expected sources of funds for such expenditures should be described.

As of December 31, 2024, the Group has unserved purchase orders and awarded contracts for capital expenditures amounting to ₱2,493.4 million.

The Group's total 2025 budget for capital expenditures amounts to approximately ₱31.62 billion. About 73.92% or ₱23.38 billion of it will be for acquisitions to support the operations and maintenance requirements of the geothermal plants in Leyte, Negros Island, Bacon-Manito, and Mt. Apo. This amount is mainly for power plant and steamfield reliability improvement in said sites.

The remaining balance of 26.08% or ₱8.25 billion is primarily composed of investments in FG Hydro, Wind Ilocos Norte Business Unit, Solar Business Unit, Latin America, geothermal, wind and solar expansions, and Head Office.

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

The Group has sales to the WESM. These may be favorable or unfavorable depending on the spot market prices. Spot prices are mostly determined by the supply and demand situation prevailing in the market.

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

There were no significant elements of income or loss from continuing operations.

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

FG Hydro's sale of electricity is affected by seasonality or cyclicity of interim operations. For Burgos Wind, higher revenue and operating profits are expected in the first and last quarters of the year based on the wind generation profile of Burgos. Meanwhile, the solar projects are expected to generate higher revenues during the summer months.

- viii. Any material events subsequent to the end of interim period that have not been reflected in the financial adjustments of the interim period.

On January 21, 2025, EDC drew ₱2,000.0 million from its term loan facility with BDO.

On January 23, 2025, the Board of the Parent Company approved the declaration of special cash dividends to holders of common and preferred shares amounting to ₱4,200.0 million or ₱246,651.43 per share and ₱156.1 million or ₱16,650.67 per share, respectively, in favor of holders of record as of February 3, 2025. Cash dividends were paid by February 28, 2025.

On February 6, 2025, FG Hydro availed the term loans from BPI, BDO, and Rizal Commercial Banking Corporation amounting to ₱2,500.0 million, ₱2,500.0 million, and ₱2,000.0 million, respectively.

On February 10, 2025, FG Hydro entered into subscription agreement to subscribe 28,000,000 Series “H” preferred stocks of FGEN with a par value of ₱10 per share for a total subscription price of ₱2,800.0 million.

On February 26, 2025, EDC drew ₱2,000.0 million from its term loan facility with CBC.

EDC and EBWPC entered into various call spread, cross currency swap (“CCS”) and interest rate swap (“IRS”) contracts to hedge its US dollar denominated long-term floating rate debts, as set out in detail below:

Company	Trade Date	Derivative	Notional amount	Hedged Loans
EDC	January 2, 2025	Call spread	US\$5.0 million	CTBC US\$50.0 million
EDC	January 3, 2025	Call spread	5.0 million	CTBC US\$50.0 million
EDC	January 6, 2025	Call spread	10.0 million	Mizuho US\$50.0 million
EDC	February 14, 2025	Call spread	10.0 million	CTBC US\$50.0 million
EDC	February 14, 2025	Call spread	10.0 million	CTBC US\$50.0 million
EDC	February 14, 2025	Call spread	10.0 million	CTBC US\$50.0 million
EDC	February 26, 2025	CCS	10.0 million	Mizuho US\$50.0 million
EDC	February 26, 2025	CCS	10.0 million	Mizuho US\$50.0 million
EDC	February 26, 2025	IRS	10.0 million	CTBC US\$50.0 million
EDC	February 27, 2025	IRS	10.0 million	CTBC US\$50.0 million
EDC	February 28, 2025	IRS	10.0 million	CTBC US\$50.0 million
EDC	March 4, 2025	IRS	10.0 million	CTBC US\$50.0 million
EDC	March 4, 2025	CCS	10.0 million	Mizuho US\$50.0 million
EBWPC	March 4, 2025	IRS	10.0 million	Mizuho US\$80.0 million

Item 7. Financial Statements

The Group's audited consolidated financial statements as of and for the years ended December 31, 2024 and 2023 are hereto attached as *Exhibit 1*.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

Since 1987, the Commission on Audit of the Philippines had served as the independent auditor of the Group to audit the Parent Company's financial statements. With the full privatization of the Group in 2007, it has engaged SGV & Co. as its external auditor. The Group has not had any material disagreements on accounting matters or financial disclosure matters with both Commission on Audit and SGV & Co.

External Auditor Fee-Related Information

	2024	2023	2022
Total Audit Fees	₱13,278,549	₱13,201,862	₱12,810,841
Non-audit service fees:			
Other assurance services*	8,024,340	3,385,000	3,465,000
Tax services	2,118,827	237,600	—
All other services*	1,585,603	6,090,849	1,605,529
Total Non-Audit Fees	11,728,770	9,713,449	5,070,529
Total Audit and Non-Audit Fees	₱25,007,319	₱22,915,311	₱17,881,370

* 2024 other assurance services include engagement related to EDC's green bond offering amounting to ₱4 million. All other services include consultancy and advisory services.

The schedule of external auditor fee-related information is also attached as part of *Exhibit 3 - Supplementary Schedules*.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

Directors

EDC's Amended Articles of Incorporation provide for eleven (11) seats in the Board of Directors ("Board"). The Parent Company's Amended By-Laws further provide that the Parent Company shall have three (3) independent directors, for as long as the Parent Company remains a public corporation or has any outstanding registered securities. Presently, there are three (3) independent directors in the Board of EDC, or 27.27% of the Board's total membership.

The directors serve for a period of one (1) year and until their successors shall have been duly elected and qualified.

EDC's CG Manual, in compliance with SEC regulations, provides that the maximum cumulative term of nine (9) years, reckoned from 2012, shall be imposed upon Independent Directors. After serving the maximum term, the Independent Director shall be perpetually barred from re-election as such (except that a term-limited Independent Director may again be elected as such upon justification and obtaining stockholders' approval) but may continue to qualify for nomination and election as a non-Independent Director.

As of December 31, 2024, the following are the directors of the Parent Company²³:

DIRECTOR	NATIONALITY	POSITION	AGE	YEAR POSITION WAS ASSUMED
Federico R. Lopez	Filipino	Chairman	63	2007
Francis Giles B. Puno	Filipino	Vice-Chairman and CEO	60	2007
Jerome H. Cainglet	Filipino	Director, President and COO	56	2023
Richard B. Tantoco	Filipino	Director	58	2009
Jonathan C. Russell	British	Director	60	2007
Ang Eng Seng	Singaporean	Director	62	2021
David Andrew Baldwin	Australian	Director	60	2017
Christopher Low Eu Sun	Malaysian	Director	42	2017
Manuel I. Ayala	Filipino	Independent Director	61	2016
Sebastian C. Quiniones, Jr.	Filipino	Independent Director	65	2021
Teresa Grace Socorro G. Lara	Filipino	Independent Director	67	2021

Federico R. Lopez, 63

Mr. Lopez, Filipino, has been a member of the Board since November 29, 2007. He is currently Chairman and Chief Strategy Officer of EDC, and Chairman and Chief Executive Officer of the publicly listed companies Lopez Holdings Corporation, FPH, and First Gen. He is Vice Chairman of Rockwell Land Corporation ("Rockwell Land") and also sits on the board of ABS-CBN Corporation, which are also publicly listed companies.

A staunch environmentalist, he is the Chairman of the Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation ("OML Center"), a non-profit private sector-led initiative supporting research and innovative solutions to build climate-resilient communities. He is the

²³ The directors were elected during the Annual Stockholders' Meeting held on May 12, 2023, except for Mr. Jerome H. Cainglet who was elected as director effective July 1, 2023.

Chairman of Sikat Solar Challenge Foundation, Inc., which focuses on bringing clean energy solutions to rural communities. He is the Chairman and President of Ang Misyon, Inc., an El Sistema-inspired advocacy committed to igniting social change and youth development through the formation of the Orchestra of the Filipino Youth. He is the Chairman of Knowledge Channel Foundation, which is committed to delivering transformative learning experiences especially to poor and marginalized Filipino children and communities. He is also a member of the Board of Trustees of the Philippine Disaster Resilience Foundation, the Eugenio Lopez Foundation, Inc., Teach for the Philippines, and Endeavor Philippines. Mr. Lopez is a member of the New York Philharmonic International Advisory Board, Asia Business Council, World Presidents Organization, Chief Executives Organization, ASEAN Business Club, Management Association of the Philippines, Philippine Chamber of Commerce and Industry, European Chamber of Commerce of the Philippines, and Makati Business Club.

Mr. Lopez is a graduate of the University of Pennsylvania with a Bachelor of Arts degree, double major in Economics and International Relations, cum laude (1983).

Francis Giles B. Puno, 60

Mr. Puno, Filipino, has been a director of EDC since November 29, 2007. He is currently the Vice-Chairman and Chief Executive Officer of EDC. He also sits in the board of publicly listed companies FPH, First Gen, and Rockwell Land. Mr. Puno is also the President and Chief Operating Officer of FPH and First Gen, and is the President of First Philippine Industrial Park and several First Gen subsidiaries, such as Red Vulcan, First Gen Energy Solutions, Inc., First Gas Power Corporation, FGP Corp., First NatGas Power Corp., and Prime Meridian Powergen Corporation. He also sits in the Board of Trustees of the Philippine Business for Social Progress, Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation, Inc., Lopez Group Foundation, Inc., Knowledge Channel Foundation, Inc., and Eugenio Lopez Foundation, Inc.

He previously worked with the Global Power and Environmental Group of The Chase Manhattan Bank in Singapore and Hong Kong where he originated and executed financial advisory and debt arrangement mandates for power and water projects in Asia.

Mr. Puno has a Masters of Management degree from the Kellogg Graduate School of Management of Northwestern University (1990) and a Bachelor of Science degree in Business Management from the Ateneo de Manila University (1985).

Jerome H. Cainglet, 56

Mr. Cainglet, Filipino, sits as director of EDC since July 1, 2023. He is currently the President and Chief Operating Officer of the Parent Company, and also a Director and President and Chief Operating Officer of various EDC subsidiaries including, BGI, GCGI, and EDC Geothermal Corp. He is also a Senior Vice-President in First Gen and sits as a Director in various gas project companies of the Lopez Group, including First Gas Holdings Corporation, First Gas Power Corporation, FGP Corp., First NatGas Power Corporation, First Gas Pipeline Corporation, and FG Land Corporation.

Mr. Cainglet has been with the Lopez Group since July 1990 when he first joined FPH. He was a member of the core team that developed and implemented the Santa Rita and San Lorenzo gas-fired power plant projects as part of the Malampaya Gas-to-Power project and went on to Head the Gas Business Unit of First Gen until his appointment to the Parent Company.

He is a graduate of B.S. Chemical Engineering from the University of the Philippines (1989) and has an Executive MBA degree from the Asian Institute of Management (2006).

Richard B. Tantoco, 58

Mr. Tantoco, Filipino, has been a director of EDC since November 29, 2009 and several EDC subsidiaries. He also served as the President and Chief Operating Officer of EDC and its subsidiaries from 2009 to 2023. He is also a Director of First Gen Corporation since August 2005 and was an Executive Vice President of the company and several First Gen subsidiaries and its affiliates from 2007 to June 2023. Mr. Tantoco is also a Director of First Philippine Holdings since March 2018 and a member of the Executive, Finance, Investment, and Related Party Transactions Committees. He is also an Independent Director of Cebu Air, Inc. since 2021.

Mr. Tantoco was also the President from 2012 to 2023 and is a Trustee of the Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation, Inc., and is a Trustee in the board of several non-profit organizations, such as KEITECH Educational Foundation, Inc., Business for Sustainability Development, Inc., The Eugenio Lopez Foundation, Inc., and The Knowledge Channel.

Prior to this, Mr. Tantoco also worked with management consulting firm Booz, Allen, and Hamilton, Inc. in New York and London where he specialized in mergers and acquisition advisory, turnaround strategy advisory, and growth strategy formulation for media and manufacturing companies.

Mr. Tantoco has an MBA in Finance from the Wharton School of Business of the University of Pennsylvania (1993) and a Bachelor of Science degree in Business Management from the Ateneo de Manila University where he graduated with honors (1988).

Jonathan C. Russell, 60

Mr. Russell, British, has been a director of EDC since November 29, 2007. He is also an Executive Vice President and Chief Commercial Officer of First Gen and director of GCGI. He was previously Vice President of Generation Ventures Associates (“GVA”), an international developer of independent power projects based in Boston, USA, responsible for the development of 1,720 MW of IPP projects in Asia. Prior to joining GVA, he worked for BG plc based in London and Boston, responsible for the development of power and natural gas distribution projects.

Mr. Russell has an MBA with Distinction in International Business & Export Management from the City University Business School, London, England (1989) and a Bachelor of Science with Honours in Chemical & Administrative Sciences from the City University, London, England (1987).

Ang Eng Seng, 62

Mr. Ang, Singaporean, has been a director of EDC since February 4, 2021. He is currently the Chief Investment Officer of GIC Private Limited (“GIC”) for Infrastructure. Prior to this, he was President of Europe and Head of Integrated Strategies Group of GIC.

Prior to joining GIC in 1994, Mr. Ang was a Director of the Auditor-General’s Office in Singapore. From 1996 to 1998, he was seconded from GIC to China International Capital Corporation in Beijing, where he first served as the Deputy General Manager and subsequently as the General Manager of its Direct Investment Department. He was Head of the Greater China Team for GIC Special Investments from 1999 to mid-2003, before becoming the Head of Europe Private Equity Group until 2009. He was concurrently Global Head of GIC’s Direct Investment Group and Head of Infrastructure Group from 2009 to 2012.

Mr. Ang holds a master’s degree from Cambridge University (1984). He is a Certified Public Accountant and a Chartered Financial Analyst charter holder.

David Andrew Baldwin, 60

Mr. Baldwin, Australian, has been a director of EDC since October 3, 2017. He is also a Senior Managing Director at Macquarie Asset Management (“MAM”), where he leads MAM’s Portfolio Performance Group across the Asia-Pacific region. The Portfolio Performance Group focuses on managing key areas of risk and delivering quantifiable value through the industrial transition and transformation of its portfolio businesses. It provides functional expertise and hands-on support to its investment teams and has capabilities across Transformation & Operations, Human Capital, Workplace Health & Safety, Enterprise IT & Cyber, and Sustainability.

Prior to joining MAM, Mr. Baldwin was Chief Executive Officer of Integrated Gas at Origin Energy (“Origin”) in Australia, where he delivered and operated Origin’s liquefied natural gas export business, Australia Pacific LNG. Before that, he was Chief Executive Officer of Contact Energy, one of New Zealand’s largest integrated energy companies. Earlier in his career, Mr. Baldwin held senior positions at Berkshire Hathaway Energy in Indonesia, Philippines, and the US, and Shell in the Netherlands and New Zealand. Mr. Baldwin’s responsibilities included the delivery and operation of renewable energy projects, mergers and acquisitions, and the development and operation of chemical production facilities.

Mr. Baldwin received a Bachelor of Engineering (Chemical) from the University of Canterbury and a Master of Business Administration from Victoria University of Wellington.

Christopher Low Eu Sun, 42

Mr. Low, Malaysian, has been a director of EDC since October 3, 2017. He is a Managing Director of Macquarie Infrastructure and Real Assets (“MIRA”), which is part of MAM – the asset management arm of Macquarie Group.

Mr. Low joined MIRA in 2006 and currently serves as the Co-head of South-East Asia and India for MIRA.

Mr. Low has a Master’s Degree in Management from Imperial College London and an undergraduate degree in Economics from the London School of Economics.

Manuel I. Ayala, 61

Mr. Ayala, Filipino, has been an Independent Director of EDC since September 7, 2016, and currently sits as the Chairman of the Audit and Governance Committee.

Mr. Ayala is the Co-Founder and Managing Director of Endeavor Philippines (“Endeavor”), a global non-profit organization focused on accelerating the growth of high impact entrepreneurs. He is also an Independent Director of Union Digital Bank and a Board Trustee of the University of Asia and the Pacific.

Prior to establishing Endeavor, Mr. Ayala founded Hatchd, Inc., a technology incubator that has helped create companies such as Rappler, PawnHero, Ayannah, and GrowSari. He was also a co-founder of IRG Ltd., a Hong Kong- based M&A advisory firm focused on the telecommunications, media, and technology sectors across the Asia Pacific.

Mr. Ayala has an MBA from Harvard Business School and a BA from Yale University.

Sebastian C. Quiniones, Jr., 65

Mr. Quiniones, Filipino, has been an Independent Director of EDC since May 11, 2021, and currently sits as the Chairman of the Health, Safety, and Environment Committee. He is the Executive Director of Pilipinas Shell Foundation since January 2019, Chairman of the Board of Mindoro Biodiversity and

Conservation Foundation since 2016, and a member of STEM Alliance Philippines since 2020. He is also a member of the Management Association of the Philippines since 2009 where he served as Vice Chairman and then Chairman of the Energy Committee. He is also a Director of Kabalikat Para sa Maunlad na Buhay since 2021, a non-government organization engaged in microfinancing and is an Elder and has membership in various committees of the Union Church of Manila since 2000.

He was appointed as Managing Director and General Manager of Prime Energy Resources Development BV (“Prime Energy”), the company which took over the Operatorship of the Malampaya Gas to Power Project, on November 1, 2022. He successfully handed over to his successor in May 2023. He was then appointed as Chairman of the Advisory Council of Prime Energy in June 2023 and has served as a Director of Prime Oil and Gas, Inc since 2023.

He was General Manager and Managing Director of Shell Philippines Exploration BV, a Director of Pilipinas Shell Petroleum Corporation where he was also a member of the Board Audit Committee, and Trustee of the Pension Fund of Shell Philippines Exploration BV.

He assumed non-governmental organization roles in the past as Chairman of the Board of ShellClub15Plus from 2017 to 2022 and Trustee and Chairman of the Board of the League of Corporate Foundations from 2019 to 2024.

Mr. Quiniones previously served in the Boards of First Philippine Industrial Corporation and Batangas Bay Carriers, Inc. from 2001 to 2002. He was the Oil and Gas Representative for the Multi-Sectoral Group of Philippines Extractive Industries Transparency Initiative from 2012-2016, President of the Petroleum Association of the Philippines, a Trustee of the Malampaya Foundation, a Director of the British Chamber of Commerce of the Philippines, and a Trustee of the British School of Manila. He has also served as Chairman of Council of the Union Church of Manila twice.

Mr. Quiniones graduated from the Philippine Science High School (1976) and became an NSDB scholar at the University of Philippines Diliman where he studied Chemical Engineering. He was trained in Technical, Operational, and Leadership roles in Shell and attended a senior management course at INSEAD in the Singapore campus.

Teresa Grace Socorro G. Lara, 67

Ms. Lara, Filipino, has been an Independent Director of EDC since May 11, 2021, and currently sits as the Chairman of the Related Party Transactions Committee. She is a Director of Artists and Company, a talent management firm and an Independent Director of Electronic Network Cash Tellers, Inc. She is active in her various advocacies, including GKONOMICS, which is the livelihood and training arm of Gawad Kalinga, as Marketing and Design Consultant, and MAKABATA School Foundation, Inc., a non-stock, non-profit foundation dedicated to the education of street children. Ms. Lara also supports various producers and artisans in the Negros Province.

Prior to this, Ms. Lara spent three (3) decades in the Philippine advertising industry. She was Chairman of the Board and President and CEO of Young and Rubicam Philippines until her retirement in 2014.

Ms. Lara was previously the Vice Chairman of Publicis/Jimenez Basic, General Manager and Client Services Director of Jimenez/D’ARCV, President and CEO of Basic Advertising, and Management Supervisor of Mullenlowe Treyna.

Ms. Lara graduated from the Ateneo De Manila University where she studied AB Communications Arts. She took a certificate course in Marketing and Advertising from the New York University.

Key Executive Officers

As of December 31, 2024, the Parent Company's senior management is composed of the following:

OFFICER	NATIONALITY	POSITION	AGE	YEAR POSITION WAS ASSUMED
Federico R. Lopez	Filipino	Chairman and Chief Strategy Officer	63	Chairman - 2010 Chief Strategy Officer - 2024
Francis Giles B. Puno	Filipino	Vice-Chairman and CEO	60	2023
Jerome H. Cainglet	Filipino	Director, President and COO	56	2023
Victor Emmanuel B. Santos, Jr.	Filipino	Executive Vice President	57	Executive Vice President - 2021 Regulatory Compliance Officer – 2017 to 2024
Erwin O. Avante	Filipino	Senior Vice President, Chief Financial Officer/Treasurer and Compliance Officer for SEC	50	Senior Vice President – 2022; Chief Financial Officer/Treasurer – 2019; Compliance Officer for SEC - 2014
Ma. Elizabeth D. Nasol	Filipino	Senior Vice President, Human Resource Advisor	67	Human Resource Advisor – 2024; Senior Vice President – 2017; Head of Human Resource Management – 2013 to 2024
Liberato S. Virata	Filipino	Senior Vice President, Head of Facilities O&M	65	Senior Vice President – 2019
Jennifer Joy Santamarina Santos	Filipino	Chief Transformation Officer, Head of Transformation Office	54	Chief Transformation Officer – 2020; Head of Transformation Office -2019
Jay Joel L. Soriano	Filipino	Vice President	48	2019
Edwin H. Alcober	Filipino	Vice President, Head of Production Optimization of Integrated Subsurface	52	2019
James E. Jumawan	Filipino	Vice President, Head of Execution of Integrated Subsurface	61	2019
Maribel A. Manlapaz	Filipino	Vice President, Head of Comptrollership	59	Vice President – 2020; Head of Comptrollership – 2009
Marvin Kenneth S. Bailon	Filipino	Vice President, Head of Business Development and International Business	47	Vice President – 2022; Head of Business Development and International Business – 2020

OFFICER	NATIONALITY	POSITION	AGE	YEAR POSITION WAS ASSUMED
Glenn L. Tee	Filipino	Vice President, Chief Audit Executive, Head of Internal Audit	53	Vice President – 2023; Chief Audit Executive – 2010; Head of Internal Audit - 2017
Jeffrey D. Junsay	Filipino	Vice President, Head of Integrated Sub-Surface	48	Vice President and Head of Integrated Sub-Surface – 2023
Ryan Z. Velasco	Filipino	Vice President, Corporate Information Officer, Head of Corporate Strategy and Planning	46	Vice President – 2023; Corporate Information Officer – 2018; Head of Corporate Strategy and Planning – 2022
Ma. Cecilia R. Batalla	Filipino	Vice President and Deputy Head of Human Resources Management	56	August 1, 2024
Miguel Lorenzo S. De Vera	Filipino	Vice President, Head of New Business Technologies	40	Vice President – 2023
Gabriel S. Vergara	Filipino	Vice President, Head of Enterprise Commercial	40	Vice President - 2023
Joseph P. Guevarra	Filipino	Assistant Vice President, Chief Risk Officer, Head of Risk & Insurance Management	44	Assistant Vice President – 2022; Chief Risk Officer; Head of Risk & Insurance Management – 2022;
Bernadette Ann V. Policarpio	Filipino	Vice President, Corporate Secretary, Head of Legal and Regulatory Affairs and Legal Services Division, and Regulatory Compliance Officer for the Department of Energy and Energy Regulatory Commission	49	Regulatory Compliance Officer for the Department of Energy and Energy Regulatory Commission – 2024; Corporate Secretary – 2017; Vice President – 2019; Head of Legal and Regulatory Affairs and Legal Services Division – 2015
Ana Maria Katigbak-Lim	Filipino	Assistant Corporate Secretary	55	2017

Victor Emmanuel B. Santos, Jr., 57
Executive Vice President

Mr. Santos, Filipino, is currently the Executive Vice-President of EDC. Prior to this, he was a Director of the Parent Company from February 28, 2017 to October 3, 2017 and the Regulatory Compliance Officer from 2017 to 2024. He is also an Executive Vice-President in First Gen and FPHC, both publicly listed companies of the Lopez Group.

He is currently a Member of the Board of Trustees of the Philippine Independent Power Producers Association, Philippine Electricity Market Corporation, and Semiconductor & Electronics Industries in the Phils. Foundation Inc.

Mr. Santos has a Master's degree in Business Administration from Fordham University (1995) and a Bachelor of Science degree in Management of Financial Institutions from De La Salle University (1989).

Erwin O. Avante, 50

Senior Vice President, Chief Financial Officer/Treasurer and Compliance Officer for SEC

Mr. Avante, Filipino, was appointed by the Board as Chief Financial Officer effective January 1, 2019 and as a Compliance Officer for the SEC effective March 1, 2014. He was promoted to Senior Vice President of the Parent Company and other EDC subsidiaries on February 10, 2022. He is also a Senior Vice President in First Gen. Prior to joining the Lopez Group in 1998, Mr. Avante worked as Senior Audit In-charge at SGV & Co.

Mr. Avante has a Master's Degree in Business Administration (2000) and a Master's of Science Degree in Computational Finance (2003), both obtained from the Graduate School of Business - De La Salle University, and a Bachelor of Science in Accountancy from De La Salle University (1994). Mr. Avante placed 1st in the May 1995 Certified Public Accountants board examination. He is also a CFA charterholder since 2005.

Ma. Elizabeth D. Nasol, 67

Senior Vice President, Human Resource Advisor

Ms. Nasol, Filipino, was appointed by the Board as Senior Vice President in 2017 and was the Head of Human Resource Management until September 30, 2024. She served as Human Resources Advisor from October to December 2024.

Prior to her appointment in EDC, she was the Vice-President for Corporate Human Resources of First Philippine Electric Corporation ("First Philec"), which is the intermediate holding company for all manufacturing investments of FPH.

Before joining the Lopez Group, Ms. Nasol served as Vice-President for Corporate Human Resource of Roxas Holdings Inc. and all its subsidiaries, Head of the Center for Excellence of Globe Telecommunications, Inc., and Vice-President and Head of Organization and People Development in San Miguel Corporation.

Ms. Nasol served as the President of the Organization Development Practitioners Network from 2009 to 2011, and as President of the Compensation Management Society of the Philippines from 2017 to 2020. She is an active member of the People Management Association of the Philippines ("PMAP") and a member of the PMAP Board of Trustees and was elected as President of PMAP in 2023.

She graduated from the University of Santo Tomas with a Bachelor's Degree in Psychology, completed the Executive Development Program of INSEAD Singapore (1992), and finished the Strategic HR Management Program of the University of Michigan (1995). She is a "Certified Total Rewards Fellow" (2018) by the Asian Total Rewards Institute based in Singapore and a certified Team Coach by Leaders International Management Inc. (2023).

Liberato S. Virata, 65
Senior Vice President, Head of Facilities O&M

Mr. Virata, Filipino, was appointed by the Board as Senior Vice President in December 2019. He started working for EDC in 1982 and held various positions including Field Maintenance Manager for LGPF, Maintenance Manager, Production Manager, and Resident Manager for BGPF, and Vice President and Head of Project Management prior to his current position.

Mr. Virata graduated with a Bachelor of Science degree in Mechanical Engineering from the Mapua Institute of Technology in Manila (1981). He became a Registered Mechanical Engineer in 1982 and a Professional Mechanical Engineer in 2006. He completed the Refinery Operations Course at Shell Refinery Clyde, Sydney New South Wales, Australia (1988), Management Development Program of AIM (1996), and Diploma Course in Maintenance Management System (JICA) at Kitakyushu, Japan (2003).

Mr. Virata is currently a Trustee and First Vice President of the Foundation of Outstanding Mapuan Incorporated. He was the National President of the Philippine Society of Mechanical Engineers in 2011 and 2012. He was a recipient of the PSME Fellow Award in 2013, PSME Don Tobias Marcelo Lifetime Achievement Award in 2016, PSME Outstanding Past President Emeritus Award in 2017, MIT's Outstanding Alumnus Award for 2016, NAMA's The Outstanding Mapuan for 2016, MEAAMIT's The Outstanding Mechanical Engineer in 2014 and Philippines Professional Regulation Commission Citation for the Most Outstanding Mechanical Engineer in 2015.

Jennifer Joy Santamarina Santos, 54
Chief Transformation Officer, Head of Transformation Office

Ms. Santos, Filipino, joined EDC in 2019. She is a proven business transformation leader with extensive experience from different companies in various industries (fast-moving consumer goods, telecommunications, media and technology) located in the Philippines and overseas. Prior to joining EDC, she managed multiple transformation programs in the Asia-Pacific region. She likewise has a strong track record in marketing, product management, innovation, and business development, having been an executive in these functions for many years.

Ms. Santos graduated from the Ateneo de Manila University as a scholar, with a Bachelor of Science degree in Management. She likewise attended the Ateneo Graduate School of Business. She also completed the Executive Development Program and Innovation Leadership Program of the Asian Institute of Management, as well as the International Executive Leadership Program of INSEAD-Singapore. Her professional development continues as she recently also completed certificate courses on Innovation in the Age of Disruption, and Leading Organizations in Disruptive Times at INSEAD-Singapore. She is also a mentor at the Asian Institute of Management and is a Certified Executive Coach.

Jay Joel L. Soriano, 48
Vice President

Mr. Soriano, Filipino, is currently a Vice President of EDC. He joined EDC in 2014 as Deputy Strategic Business Unit Head of BGI before assuming the role of Strategic Business Unit Head of Negros Island Business Unit from 2016 to 2019 and as Head of the Integrated Planning Group in 2019 to 2022. He is also a Vice President and Head of Strategy and Planning of First Gen effective February 2022.

Mr. Soriano obtained his Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. He also holds a Master's Degree in Business Administration from Harvard University.

Edwin H. Alcober, 52

Vice President, Head of Production Optimization of Integrated Subsurface

Mr. Alcober, Filipino, was appointed by the Board as Vice President in May 2019. He began his career in EDC three (3) decades ago as a Drilling Engineer. He then became a Process Geochemist before heading the Leyte Resource Management Department. He was also previously the Geosciences and Reservoir Engineering Group Head.

Mr. Alcober obtained his Bachelor of Science degree in Chemical Engineering from the University of the Philippines in Diliman in 1994. He had undergone training in Geothermal Energy Technology at the Geothermal Institute, University of Auckland, New Zealand in 1998 and awarded Best in Engineering. He also finished Basic Management Program (2010) and Management Development Program (2017) at the Asian Institute of Management.

James E. Jumawan, 61

Vice President, Head of Execution of Integrated Subsurface

Mr. Jumawan, Filipino, was appointed by the Board in May 2019 as Vice President and has been leading the drilling activities of EDC since 2015 as Head of the Well Services Group. He has more than three (3) decades of drilling expertise with EDC, joining as a drilling engineer in 1988.

Mr. Jumawan obtained his Bachelor of Science degree in Electrical Engineering from Siliman University (1986) and a diploma in Geothermal Energy Technology from the University of Auckland, New Zealand (2000).

Maribel A. Manlapaz, 59

Vice President, Head of Comptrollership

Ms. Manlapaz, Filipino, joined EDC in November 2009. Prior to joining EDC, she held various executive positions for more than twenty (20) years at various global pharmaceutical companies, including as Director of Finance at UCB Philippines, Inc., a multinational company based in Belgium.

Ms. Manlapaz started her career in 1987 as an auditor with SGV & Co. (EY Affiliate). Between 1989 and 2006, she joined Pfizer, Inc. and The Boots Company Philippines, managing various finance functions. Her areas of expertise in the field of finance are management accounting, financial accounting and reporting, tax planning and compliance, and corporate and regulatory compliance.

Ms. Manlapaz is a Certified Public Accountant and holds a Master's Degree in Business Administration – Top Executive Program from the Pamantasan ng Lungsod ng Maynila (1996). She finished her undergraduate degree with cum laude distinction from the Philippines School of Business Administration in 1986 and was awarded Most Outstanding Graduate of the Year.

Ms. Manlapaz has also completed Diploma courses in Systems Design and Business Analysis and Strategic Finance at Asian Institute of Management. She also attended training programs on Coaching, Strategic Leadership and Leadership Foundation both locally and internationally. Ms. Manlapaz also participated in various trainings and workshop on Sustainability reporting standards and has also completed the needed Corporate Governance training seminar.

Marvin Kenneth S. Bailon, 47

Vice President, Head of Business Development and International Business

Mr. Bailon, Filipino, is Vice President and Head of Business Development and International Business of the Parent Company where he leads the development of local and international geothermal growth projects. Prior to this, he was the Head for Market Planning & Contracts concurrent with his role as

Head for local growth projects. He also held the Strategic Business Unit Head position of Bacman, and prior to that has led various commercial Teams of EDC.

Before joining EDC, Mr. Bailon has more than ten (10) years of experience in research, business planning, and business development from different industries (including oil and gas, power, and food).

He earned both his undergraduate degree in Quantitative Economics and graduate degree in Industrial Economics from the University of Asia and the Pacific.

Glenn L. Tee, 53

Vice President, Chief Audit Executive, Head of Internal Audit

Mr. Tee, Filipino, was appointed by the Board in October 2010. He is currently the Vice President and Chief Audit Executive of the Parent Company. Prior to his appointment at EDC, he was Internal Audit Head of First Gen. He started his career as auditor of Punongbayan and Araullo and joined FPH Group in 1994 where he held various key positions in the Internal Audit and Accounting Departments of FPH and subsidiaries.

Mr. Tee is a Certified Public Accountant and Certified Internal Auditor as accredited by the Institute of Internal Auditors USA. He holds a BS Commerce (Major in Accounting) degree from San Beda University (1992). He also completed the academic requirements of the Executive Master's in Business Administration from the Asian Institute of Management (2009).

Jeffrey D. Junsay, 48

Vice President, Head of Integrated Sub-Surface

Mr. Junsay, Filipino, joined the Parent Company on May 15, 2023 as Vice President and Head of Integrated Sub-surface. Prior to this, he served as Country Manager of Wood Plc for its Philippine operations, one of the world's leading consulting and engineering companies across energy and materials markets. He previously worked for Shell in different technical and management roles. He has built a career in the oil and gas industry that spans more than twenty (20) years covering asset management, discipline engineering, brownfield modifications, project delivery, maintenance, production operations, technical HSSE and contracts management.

Mr. Junsay is a licensed Mechanical Engineer and graduated from the Mapua Institute of Technology (1997).

Ryan Z. Velasco, 46

Vice President, Corporate Information Officer, Head of Corporate Strategy and Planning

Mr. Velasco, Filipino, has been with the Parent Company since 2013. He is currently the Vice President and Head of Corporate Strategy and Planning and also serves as the Corporate Information Officer of the Parent Company. He initially joined EDC as part of its International Business Development team covering Latin America before moving to Finance to assist with EDC's Investor Relations, Special Projects, and other activities. Prior to joining the Parent Company, he worked for Indra Philippines, Inc. as a Managing Consultant and Head of Business Development – Financial Markets, and with Citigroup in London, United Kingdom as Vice President covering its Europe, Middle East, and Africa markets.

Mr. Velasco obtained his MBA degree at IESE Business School in Barcelona, Spain, and attended an MBA International Exchange Program at Tuck School of Business (Dartmouth) in Hanover, New Hampshire, USA. He graduated from Ateneo de Manila University with a Bachelor of Science Degree in Business Management, Honors Program.

Ma. Cecilia R. Batalla, 56

Vice President, Deputy Head of Human Resources Management

Ms. Batalla, Filipino, is a Vice President of the Parent Company and Deputy Head of Human Resources Management. She is also a Vice President in First Gen. Ms. Batalla has a Bachelor of Science degree in Psychology from the Ateneo de Manila University (1989) where she graduated Valedictorian, *cum laude*, and a Masters of Science in Clinical Psychology degree from De La Salle University (2009).

Miguel Lorenzo S. De Vera, 40

Vice President, Head of New Business and Technologies

Mr. De Vera, Filipino, is a Vice President of the Parent Company and Head of New Business and Technologies. He joined EDC as the Business Development Manager for the Burgos Wind Project and was subsequently assigned as the Deputy Business Head for the Wind-Ilocos Norte Business Unit. He was then assigned as the Commercial Manager of the Mt. Apo Geothermal Business Unit and subsequently head of said business unit. In 2018, Mr. De Vera was assigned as Head of Strategic Initiatives and Legal Regulatory Office for three (3) years. Mr. De Vera obtained his Bachelor of Science degree in Computer Science, majoring in Computer Engineering, from De La Salle University in Manila (2005).

Gabriel S. Vergara, 40

Vice President, Head of Enterprise Commercial

Mr. Vergara, Filipino, is a Vice President of the Parent Company and Head of Enterprise Commercial. He joined EDC as a manager for local geothermal under the Business Development Group. He then became Head of the Program Management Office in 2018 and in 2022, was assigned the role of Head of Business Optimization.

Mr. Vergara obtained his Bachelor of Arts in Economics (Honors Program) from the Ateneo de Manila University (2006). He also took Master of Arts in International Political Economy and Development in Fordham University (2010).

Joseph P. Guevarra, 44

Assistant Vice President, Chief Risk Officer, Head of Risk & Insurance Management

Atty. Guevarra, Filipino, was appointed by the Board as the Chief Risk Officer on June 29, 2022, and currently heads the Risk & Insurance Management of EDC. Prior to this, he was Senior Legal Counsel and concurrently Head of Insurance Management of EDC, as well as the Corporate Secretary of EDC's geothermal subsidiaries.

Prior to joining EDC in June 2013, Atty. Guevarra was the Deputy Head for Legal of Roxas Holdings, Inc. ("RHI") where he served as legal counsel of RHI and Assistant Corporate Secretary of RHI's subsidiaries.

He obtained his Bachelor of Arts degree, Major in Political Science in 2001 from the University of the Philippines in Diliman where he also obtained his Bachelor of Laws degree in 2005. He was admitted to the Philippine Bar in 2006.

Bernadette Ann Villa Policarpio, 49

Vice President, Corporate Secretary, Head of Legal and Regulatory Affairs and Legal Services Division, and Regulatory Compliance Officer for the Department of Energy and Energy Regulatory Commission

Atty. Policarpio, Filipino, was appointed as Assistant Corporate Secretary of EDC on September 7, 2016 and then as Corporate Secretary on October 3, 2017. She was appointed by the Board as Vice President on May 9, 2019. She is also a Vice President and Senior Counsel at First Gen. She joined EDC in August 2015 as a secondee from First Gen. She currently heads the Legal and Regulatory Affairs Group and the Legal Services Division of EDC and serves as Regulatory Compliance Officer for the Department of Energy and Energy Regulatory Commission.

Prior to joining the Lopez Group, Atty. Policarpio was Assistant Vice President for Legal Services at Global Business Power Corporation (“Global Power”), where she also served as the Head of the Legal Department and Assistant Corporate Secretary of the Global Power subsidiaries. Before moving in-house, Atty. Policarpio built her legal experience first as litigation associate at Villaraza & Angangco, later joining the government as Court Attorney in the Office of then Chief Justice Hilario G. Davide, Jr. in the Philippine Supreme Court. Thereafter, she pursued and completed her Master of Laws degree at the University of Michigan in Ann Arbor, Michigan, U.S.A. in 2006, which was followed by a fellowship stint at the Center for International Environmental Law in Geneva, Switzerland. Upon her return to the Philippines, she transitioned into commercial law practice as an associate at Romulo Law Office.

Atty. Policarpio obtained a Bachelor of Science degree in Management, Major in Legal Management in 1996 from the Ateneo de Manila University, where she also earned her Juris Doctor degree (with Second Honors Silver Medal Award) in 2000. She was admitted to the Philippine Bar in 2001.y

Ana Maria A. Katigbak-Lim, 55

Assistant Corporate Secretary

Atty. Katigbak-Lim, Filipino, was appointed by the Board in January 2007 as Assistant Corporate Secretary, and as Corporate Secretary on September 7, 2016. On October 3, 2017, she was appointed anew as Assistant Corporate Secretary. She is a Senior Partner in Castillo Laman Tan Pantaleon & San Jose Law Firm.

Atty. Katigbak graduated cum laude from the University of the Philippines with degree in Bachelor of Arts in Comparative Literature (1990). She is a graduate of the University of the Philippines College of Law (1994) and a member of the Phi Kappa Phi international honor society and Integrated Bar of the Philippines. Her practice areas are mergers and acquisitions, securities and corporate law. She was admitted to the Philippine Bar in 1995.

Significant Employees

No single person or employee is expected to make a significant contribution to the Parent Company’s business as the Parent Company considers the collective efforts of all its employees as instrumental to the success of the Parent Company.

Family Relationships

The wives of Federico R. Lopez and Francis Giles B. Puno are sisters. Other than the foregoing, there are no family relationships known to the Parent Company.

Involvement in Certain Legal Proceedings

To the best of the Parent Company's knowledge, there has been no occurrence during the past five (5) years and up to the date of this Annual Report of any of the following events, which are material to an evaluation of the ability or integrity of any director, executive officer, or controlling person of the Parent Company:

- 1) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;
- 2) Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign (excluding traffic violations and other minor offenses);
- 3) Any final and executory order, judgment, or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting the involvement of a director, person nominated to become a director or executive officer, in any type of business, securities, commodities, or banking activities; and
- 4) Any final and executory judgment by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC, or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

Item 10. Executive Compensation

The aggregate compensation paid or incurred during the last two (2) fiscal years and estimated to be paid in the ensuing fiscal year to the executive officers of the Parent Company are as follows:

Summary Compensation Table

Name	Year	Salary (in ₱)	Bonus / Other Annual Compensation (in ₱)
Federico R. Lopez, Chairman & Chief Strategy Officer			
Francis Giles B. Puno, Vice Chairman & CEO			
Jerome H. Cainglet, President & COO			
Erwin O. Avante, Senior Vice President			
Ma. Elizabeth D. Nasol, Senior Vice President			
CEO and the four most highly compensated officers named above	2023	34,226,448	64,575,107
	2024	57,131,112	145,011,353
	2025 (estimate)	62,635,488	114,380,619
Aggregate compensation paid to all officers and directors as a group unnamed	2023	274,916,724	298,855,638
	2024	302,533,038	358,646,483
	2025 (estimate)	306,000,469	281,559,935

In EDC, the current Board compensation package is as follows:

- Monthly director's fee ₱50,000;
- Attendance fee for Director's meetings: ₱10,000 per Board meeting and ₱6,000 per Board Committee meeting;
- Bonus to Directors as a group: ½ of 1% of declared cash dividend;
- Group Life Insurance Coverage; and
- Group Hospitalization Insurance Coverage.

The Parent Company has no other arrangement with regard to the remuneration of its existing directors aside from the compensation received as herein stated.

In 2024, the directors and independent directors of the Parent Company received remuneration, gross of tax, as follows:

Name	Gross Amount (in ₱)
Federico R. Lopez	764,000.00
Richard B. Tantoco	7,500,667.00
Francis Giles B. Puno	794,000.00
Jerome H. Cainglet	794,000.00
Jonathan C. Russell	7,518,667.00
Manuel I. Ayala	7,446,667.00
Sebastian C. Quiniones, Jr.	7,446,667.00
Teresa Grace Socorro G. Lara	7,446,667.00
Ang Eng Seng	-
David Andrew Baldwin	-
Christopher Low Eu Sun	-

Description of the Terms and Conditions of (a) Employment Contracts between the Registrant and Named Executive Officers, and (b) Compensatory Plan or Arrangement

There is no employment contract between EDC and Messrs. Lopez and Puno.

Further, Messrs. Puno, Cainglet and Avante are seconded to EDC and receives their salaries from First Gen.

Warrants

As of the date hereof, there are no outstanding warrants held by the Parent Company's president, named executive officers, and all directors and officers, as a group.

Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners (of more than 5%) as of December 31, 2024

Title of Class	Name, address of Record Owner and Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common Preferred	Red Vulcan 6th Floor Rockwell Business Center Tower 3, Ortigas Ave., Pasig City (Red Vulcan is a major stockholder of EDC)	Beneficial Owner - First Gen (First Gen is a major stockholder of Red Vulcan) Proxy - Federico R. Lopez, Chairman of First Gen	Filipino	7,494 9,375	44.01% 100.00%
Common	PREHC* Level 29 Enterprise Center Tower 1, 6766 Ayala Avenue, Brgy. San Lorenzo, Makati City	Beneficial Owner of more than 5% Proxy - Christopher Low Eu Sun, Chairman/President of PREHC	Foreign	9,223	54.16%

*PREHC is considered a foreign shareholder of EDC, being a domestic corporation wholly owned by a foreign (Dutch) shareholder. While its 9,223 shares correspond to 54.16% of total outstanding common shares, these shares only constitute 34.93% of the total outstanding EDC shares in all classes and of the total outstanding voting shares of EDC.

Security Ownership of Directors and Management as of December 31, 2024

Title of Class	Name of Beneficial Owner	Amount of Shares	Nature of Ownership	Citizenship	Percent of Class
Directors					
Common	Federico R. Lopez – Chairman & Chief Strategy Officer	1.000000	Direct	Filipino	0.01%
Common	Francis Giles B. Puno – Vice-Chairman and CEO	1.000000	Direct	Filipino	0.01%
Common	Jerome H. Cainglet – President & COO	1.000001	Direct	Filipino	0.01%
Common	Richard B. Tantoco	1.000001	Direct	Filipino	0.01%
Common	Jonathan C. Russell	1.000000	Direct	British	0.01%
Common	David Andrew Baldwin	1.000001	Direct	Australian	0.01%
Common	Christopher Low Eu Sun	1.000001	Direct	Malaysian	0.01%
Common	Ang Eng Seng	1.000001	Direct	Singaporean	0.01%
Common	Manuel I. Ayala	1.000001	Direct	Filipino	0.01%
Common	Sebastian C. Quiniones, Jr.	1.000000	Direct	Filipino	0.01%
Common	Teresa Grace Soccoro G. Lara	1.000001	Direct	Filipino	0.01%
Key Executive Officers					
-	Victor Emmanuel B. Santos, Jr.	-	-	Filipino	0.00%
-	Erwin O. Avante	-	-	Filipino	0.00%
-	Ma. Elizabeth D. Nasol	-	-	Filipino	0.00%
-	Liberato S. Virata	-	-	Filipino	0.00%
-	Jennifer Joy S. Santos	-	-	Filipino	0.00%
-	Jay Joel L. Soriano	-	-	Filipino	0.00%
-	Edwin H. Alcober	-	-	Filipino	0.00%
-	James E. Jumawan	-	-	Filipino	0.00%
-	Maribel A. Manlapaz	-	-	Filipino	0.00%
-	Marvin Kenneth S. Bailon	-	-	Filipino	0.00%
-	Miguel Lorenzo S. De Vera	-	-	Filipino	0.00%
-	Gabriel S. Vergara	-	-	Filipino	0.00%
-	Glenn L. Tee	-	-	Filipino	0.00%
-	Jeffrey D. Junsay	-	-	Filipino	0.00%
-	Ryan Z. Velasco	-	-	Filipino	0.00%

Title of Class	Name of Beneficial Owner	Amount of Shares	Nature of Ownership	Citizenship	Percent of Class
-	Ma. Cecilia R. Batalla	-	-	Filipino	0.00%
-	Joseph P. Guevarra	-	-	Filipino	0.00%
-	Bernadette Ann V. Policarpio	-	-	Filipino	0.00%
-	Ana Maria A. Katigbak-Lim	-	-	Filipino	0.00%

As of December 31, 2024, the aggregate amount of common shares registered in the names of the directors and key executive officers of the Parent Company is 11.000007 or 0.065% of total common shares.

Voting Trust Holders of 5% or more

The Parent Company knows of no persons holding more than 5% of common shares under a voting trust or similar agreement.

Item 12. Certain Relationships and Related Transactions

To the best of the Group's knowledge, there has been no material transaction during the past two (2) years, nor is there any material transaction presently proposed, to which the Group was or is to be a party, in which any of its directors, executive officers, nominees for election as directors, or any individual owning, directly or indirectly, significant voting power of the Company, or any close family members of such individuals, had or is to have a direct or indirect material interest except as provided hereunder.

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

Following are the amounts of transactions and outstanding balances as of and for the years ended December 31, 2024, 2023 and 2022 with entities under common control:

Related Party	Nature of Transaction	Terms	Transactions for the years ended December 31			Outstanding Balances as of December 31	
			2024	2023	2022	2024	2023
Due to related parties							
<i>Entities under common control</i>							
First Gen	Interest-free advances	Unsecured and will be settled in cash	₱8,483,187	₱6,639,613	₱22,245,966	₱1,734,507	₱1,608,946
FGP Corp	- do -	- do -	—	—	30,000	59,388	59,388
						₱1,793,895	₱1,668,334
Dividends payable							
<i>Affiliate</i>							
Philippine Renewable Energy Holdings Corp.	Dividend	Unsecured and will be settled in cash	₱3,359,167,696	₱2,977,681,382	₱2,706,983,074	₱—	₱—
<i>Entities under common control</i>							
Red Vulcan	- do -	- do -	3,023,870,535	2,714,051,234	2,494,001,122	—	—
First Gen	- do -	- do -	858,786,497	48,059,418	43,690,380	—	—
North Terracotta Power Corp	- do -	- do -	53,886,497	47,795,533	—	—	—
						₱—	₱—

Due from related parties							
Entities under common control							
First GES	Other services	Unsecured and will be settled in cash	₱17,809,253	₱16,989,195	₱14,485,644	₱55,242,519	₱37,433,266
Thermaprime	Interest-free advances	- do -	—	—	—	1,941,251	1,941,251
First Gen	Other services	- do -	—	1,130,910	—	1,203,736	2,334,646
						₱58,387,506	₱41,709,163
Trade and other receivables							
Entities under common control							
Rockwell Land Corporation	Sale of electricity	Unsecured and will be settled in cash	₱301,798,417	₱285,318,091	₱173,080,325	₱36,395,328	₱32,747,133
First GES	- do -	- do -	486,612,129	897,836,133	715,167,155	34,082,364	85,940,256
ABS-CBN	- do -	- do -	144,246,700	154,722,907	123,856,973	15,467,331	14,907,008
PI Energy Inc.	- do -	- do -	217,853,037	150,045,216	109,134,282	9,959,127	8,753,793
First Industrial Township, Inc.	- do -	- do -	49,620,237	42,796,318	—	9,742,550	7,610,298
First Philippine Industrial Park (FPIP)	- do -	- do -	23,710,171	21,276,552	3,684,864	3,223,263	1,621,507
FPIP Utilities, Incorporated	- do -	- do -	23,618,534	12,615,962	1,501,067	2,071,093	1,268,464
First Philec Inc.	- do -	- do -	17,215,064	14,334,828	12,390,614	2,030,200	1,062,363
FGen Natural Gas Supply, Inc.	- do -	- do -	2,748,954	2,596,813	—	534,370	2,795,926
First Gas Power Corp.	- do -	- do -	1,334,591	221,137	—	170,143	179,024
Fresh River Lakes Corp.	- do -	- do -	1,665,865	—	—	17,138	—
						₱113,692,907	₱156,885,772
Other noncurrent assets							
Thermaprime	Loan to affiliate	Payable in 3 years from effectivity of agreement	₱1,025,476,524	₱—	₱—	₱1,025,476,524	₱—
Trade and other payables							
Entities under common control							
First Balfour Inc.	Civil works and other services	Unsecured and will be settled in cash	₱7,209,912,212	₱5,446,411,985	₱2,801,054,047	₱2,647,788,952	₱3,408,865,760
Thermaprime	Drilling and other related services	- do -	4,925,238,652	1,160,777,545	1,839,532,425	605,580,070	256,208,713
Meralco	Purchase of services and utilities	- do -	2,820,117,445	2,509,759,125	1,742,566,153	855,212,965	33,903,129
Fresh River Lakes Corp.	- do -	- do -	386,509,049	—	—	67,794,169	—
First GES	- do -	- do -	636,993,452	451,143,202	127,017,300	63,522,323	117,198,928
TG Services Inc	- do -	- do -	150,645,483	121,602,278	108,920,266	49,958,553	48,023,940
Silverlink Security & Investigative Services, Inc.	- do -	- do -	167,522,326	131,641,188	120,738,071	46,693,328	42,349,628
Powerlink Security & Investigative Services, Inc.	- do -	- do -	72,835,474	61,965,511	82,588,390	36,936,299	35,430,836
InfoPro Business Solutions, Inc.	- do -	- do -	193,582,248	176,974,616	150,703,345	29,394,746	32,665,462
PI Energy Inc.	- do -	- do -	105,874,697	86,149,301	46,795,999	11,455,586	10,363,399
FPIP Property Developers and Management Corporation	- do -	- do -	4,436,888	4,274,540	4,350,825	7,993,189	9,077,831
Bayan Telecommunications Holdings Corporation	- do -	- do -	—	56,840	3,841,382	2,253,289	2,757,559
Therma One Transport Corp.	- do -	- do -	8,216,328	6,086,984	11,529,122	1,634,760	2,794,847
Prime Meridian Powergen Corporation	- do -	- do -	—	—	1,404,894	1,372,211	1,335,551
Skycable	- do -	- do -	2,525,994	2,873,088	2,796,294	1,297,722	1,103,277
First Philippine Realty Corporation	- do -	- do -	9,405,650	2,797,729	651,553	897,174	683,384
INAEC Aviation Corporation	- do -	- do -	—	5,590,600	2,149,030	726,578	726,578
First Philec Inc.	- do -	- do -	—	—	—	568,555	568,555
First NatGas Power Corp.	- do -	- do -	1,136,287	15,608,180	6,784,187	524,492	—
FPIP	- do -	- do -	135,498	102,826	165,125	461,796	471,608
Asian Eye Institute, Inc.	- do -	- do -	—	—	—	443,991	443,991
First Philec Manufacturing Technologies Corp	- do -	- do -	—	—	—	328,720	328,720
Pilipino Cable Corporation	- do -	- do -	—	—	—	150,000	150,000
Lopez Holdings Corporation	- do -	- do -	78,500	55,500	—	126,000	—
Goldlink Security & Investigative Services, Inc.	- do -	- do -	—	—	—	77,512	77,512
ABS-CBN Foundation, Inc.	- do -	- do -	219,000	—	717,776	63,000	63,000
FGP Corp.	- do -	- do -	—	29,388	78,389	61,073	95,770
Lopez, Inc.	- do -	- do -	101,773	121,631	86,481	44,451	10,391
Securities Transfer Services, Inc.	- do -	- do -	—	—	—	36,720	36,720
First Philippine Industrial Corporation	- do -	- do -	—	—	142	22,412	22,412
FPIP Utilities Incorporated	- do -	- do -	411,086	285,699	180,184	20,791	20,000
Others	- do -	- do -	3,121,056	9,178,315	46,102,696	15,433	6,422,570
First Gen	Consultancy fee	- do -	95,764,705	95,764,705	92,891,765	—	47,882,363
Other related party							
PREHC Directors	Directors' fee	- do -	13,773,028	28,276,234	2,074,818	—	—
						₱4,433,456,860	₱4,060,082,434

Lease Liability							
Entities under common control							
Thermaprime	Lease	Unsecured and will be settled in cash	₱4,745,224,826	₱—	₱—	₱4,541,598,894	₱—
Rockwell Land Corporation	- do -	- do -	—	2,238,513	120,649,575	125,583,141	283,523,857
						₱4,667,182,035	₱283,523,857

The amounts outstanding are unsecured and will be settled in cash. The Group did not recognize any impairment losses on receivables from related parties in 2024, 2023 and 2022. Entities under common control consists of subsidiaries (direct or indirect) of Lopez, Inc., the Group's ultimate parent.

i. First Gen

First Gen provides financial consultancy, business development and other related services to the Parent Company under a consultancy agreement until December 31, 2025.

The total consultancy services amounted to ₱95.8 million, ₱95.8 million and ₱92.9 million in 2024, 2023 and 2022, respectively and were included in the "Purchased services and utilities" under "General and administrative expenses" account.

ii. First Balfour, Inc. ("First Balfour")

Following the regular bidding process, the Group awarded to First Balfour procurement contracts for various works such as civil, structural and mechanical/piping works in the Group's geothermal, wind and solar power plants.

As of December 31, 2024 and 2023, the outstanding balance amounted to ₱2,647.8 million and ₱3,408.9 million, respectively, recorded under "Trade and other payables" account in the consolidated statements of financial position.

iii. Thermaprime

Thermaprime is a subsidiary of First Balfour, a wholly owned subsidiary of First Holdings. Thermaprime provides drilling services such as, but not limited to, rig operations, rig maintenance, well design and engineering. Thermaprime also provides drilling rig preservation services to EDC.

As of December 31, 2024 and 2023, the outstanding balance of due from Thermaprime amounted to ₱1.9 million.

As of December 31, 2024, the outstanding balance for loan to Thermaprime amounted to ₱1,025.5 million, recorded under "Other noncurrent assets" account in the consolidated statements of financial position. No similar transaction in 2023.

As of December 31, 2024 and 2023, the outstanding balance payable to Thermaprime amounted to ₱605.6 million and ₱256.2 million, recorded under "Trade and other payables" account in the consolidated statements of financial position. No similar transaction in 2023.

As of December 31, 2024 the outstanding balance payable to Thermaprime amounted to ₱4,541.6 million recorded under "Lease Liability" account in the consolidated statements of financial position.

iv. Rockwell Land Corporation

The Parent Company has an agreement with Rockwell Land for the lease of office space in Rockwell Business Center. As of December 31, 2024 and 2023, the outstanding lease liability related to Rockwell amounted to ₱125.6 million and ₱283.5 million, respectively.

Intercompany Guarantees

The Parent Company issued a credit line amounting to US\$80.0 million in favor of its subsidiary, EDC Chile Limitada, as evidence of the Parent Company's financial support for EDC Chile Limitada's participation in the bids for geothermal concession areas by the Chilean Government.

Also, the Parent Company issued letters of credit in favor of its subsidiaries in Peru, namely, EDC Peru S.A.C. and EDC Energia Verde Peru S.A.C. at US\$0.27 million each as evidence of the Parent Company's financial support for the geothermal authorizations related to the exploration drilling activities of the said entities which expired on March 1, 2024 and February 21, 2024, respectively.

On May 25, 2023, the Board and stockholders of Energy Development Corporation Peru S.A.C decided to no longer pursue exploration and development activities in Peru due to political and market factors.

Under the bilateral corporate term loan agreements executed in December 2024 by EBWPC with BDO and Mizuho, any debt service shortfall amount under these loans is guaranteed by EDC.

Remuneration of Key Management Personnel

The remuneration of the directors and other members of key management personnel by benefit type are as follows:

	2024	2023	2022
Short-term employee benefits	₱489,383,916	₱473,277,561	₱331,142,425
Post-employment benefits	25,854,958	20,063,823	14,498,523
	₱515,238,874	₱493,341,384	₱345,640,948

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

EDC recognizes that good corporate governance strengthens and stabilizes a company. The Parent Company's leadership and stakeholders continue to be committed to good corporate governance practices based on the Revised Corporation Code, applicable corporate governance rules and regulations, the Parent Company's By-Laws, and its Manual on Corporate Governance.

EDC's corporate governance culture emanates from the Board, supported by its Audit and Governance Committee; its Senior Vice-President and Compliance Officer for SEC and concurrent Chief Financial Officer and Treasurer, Mr. Erwin O. Avante; and the Legal Services Division.

EDC has established an evaluation system to measure its compliance with its Manual on Corporate Governance and applicable corporate governance rules and regulations. The Board of Directors (the "Board") of the Parent Company annually conducts a Board Self-Evaluation Survey, which helps the Board assess the overall performance and effectiveness of the Board and the Board Committees, as well as the performance of the Chairman, Chief Executive Officer ("CEO"), and the President and Chief Operating Officer ("COO") in respect of their governance responsibilities. The Board's Self-Evaluation helps the Board identify its strengths and weaknesses as well as those of the Parent Company, leading to efforts to enhance performance throughout the organization.

The Parent Company also conducts annually a CG Manual Compliance Monitoring among its different functional groups to determine compliance with the Group's Manual on Corporate Governance. The results of the survey are incorporated in the Annual Corporate Governance Report for Public Companies and Registered Issuers (or "SEC Form-ACGR"), which is submitted to the SEC on or before June 30, in compliance with SEC Memorandum Circular No. 13, Series of 2021.

As reported in the Parent Company's SEC Form-ACGR, which was submitted on May 27, 2024, the Parent Company had no substantial deviation from its Manual on Corporate Governance.

To ensure good governance, EDC has in place company policies and manuals that contribute to EDC's corporate governance system, including its Code of Conduct and Business Ethics and Code of Conduct and Discipline, and policies on Protected Disclosures; Giving and Receiving of Corporate Gifts; Related Party Transactions; Anti-Money Laundering and Countering Financial Terrorism and Responsible Asset Protection; the Enterprise Risk Management Manual; Quality and Asset Management Policy; Health, Safety and Environment Policy; Privacy Policy; Conflict of Interest Guidelines; and other governance-related policies.

In addition, Directors and key executive officers participate in a Group-sponsored corporate governance seminar, which is held annually and conducted by a training provider duly accredited by the SEC. The corporate governance seminar provides the Directors and executive officers an opportunity to learn and integrate corporate governance principles and be provided with useful insights on various and current governance issues. For 2024, the Group-sponsored corporate governance seminar was conducted by SGV & Co. on October 29, 2024.

To align the activities of the Parent Company with its vision, mission, core values, and goals for the year, the Board also conducts annually a Board Strategic Update, which provides a venue for the Directors to set strategic directions and guidance for the Parent Company. For 2024, the Board Strategic Update was held on November 11, 2024.

More information on the governance of the Parent Company is available at its website: www.energy.com.ph

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

Exhibits

- Exhibit 1 – Audited Consolidated Financial Statements for the years ended December 31, 2024 and 2023 received by the BIR
- Exhibit 2 – Index to Consolidated Financial Statements
 - 2.1 Reconciliation of Retained Earnings Available for Dividend Declaration
 - 2.2 Map Showing the Relationships Between and Among the Companies in the Group, its Ultimate Parent Company and Co-subsiidiaries
 - 2.3 Schedule of Financial Soundness Indicator
- Exhibit 3 – Supplementary Schedules
- Exhibit 4 – 2024 Audit and Governance Committee Report
- Exhibit 5 – Material Service Contracts and Agreements

Reports on SEC Form 17-C

The Group filed the following reports on SEC Form 17-C during the period January to December 2024.

	Description	Date of Filing
1	SEC approval of the Company's Amended Articles of Incorporation for (i) the increase in the par value of its common share from Php1.00 to Php1,000,000.00, and (ii) the increase in the par value of its voting preferred share from Php0.01 to Php10,000.00, while maintaining its current authorized capital stock, as part of the Company's equity restructuring.	January 10, 2024
2	Setting of the Annual Stockholders' Meeting on May 14, 2024 to be held in person at the principal office of the Parent Company and/or remotely.	March 4, 2024
3	Filing of the Registration Statement and the Simplified Application for Confirmation of Qualification as an ASEAN Green Bond	March 21, 2024
4	Listing with the Philippine Dealing and Exchange Corporation of the second tranche of the EDC Fixed Rate ASEAN Green Bonds, consisting of Series C Bonds due 2027 with interest rate of 6.7478%, Series D Bonds due 2029 with interest rate of 6.8873%, and Series E Bonds due 2031 with interest rate of 7.0626%, in the aggregate principal amount of Ten Billion Pesos (P10,000,000,000.00).	May 27, 2024
5	Writ of execution issued by the Department of Labor and Employment Regional Office No. IV-A (CALABARZON) in relation to the failure of the Parent Company to submit the required documents pertaining to Occupational Safety and Health Standards, imposing a penalty amounting to Fifty Thousand Pesos (Php50,000.00).	June 18, 2024
6	Declaration of regular cash dividends, out of the unrestricted retained earnings of the Parent Company, of approximately Php2.8 Billion, as follows: (i) regular cash dividends of approximately Php146,777.58 per share or a total of Php2.5 Billion in favor of holders of common shares; and (ii) regular cash dividends of approximately Php31,306.67 per share or a total of Php293.5 Million in favor of holders of preferred shares, both as of Record Date, July 15, 2024, payable on or before July 31, 2024.	June 24, 2024
7	Appointment of officers as follows:	July 22, 2024

	Description	Date of Filing
	1. Mr. Federico R. Lopez as Chief Strategy Officer, concurrent with his designation as Chairman of the Board, effective July 19, 2024; and 2. Ms. Ma. Cecilia R. Batalla as Vice President and Deputy Head of Human Resources Management, effective August 1, 2024.	
8	Declaration of special cash dividends, out of the unrestricted retained earnings of the Company, of approximately Php217,287.12 per share or a total of Php3.7 Billion in favor of holders of common shares as of the Record Date, December 2, 2024, payable on or before December 31, 2024; and Amendment of the Seventh Article of the Company's Amended Articles of Incorporation to (i) allow the transfer by a corporate holder of its voting preferred shares to an affiliate for purposes of complying with laws requiring stock offerings or minimum stock ownership by the public, and (ii) removal of the preference on dividend of non-voting preferred shares.	November 25, 2024

Sustainability Reporting

The Group's Sustainability Report is included in the Integrated Report which may be viewed/downloaded from the company website: <https://integratedreport.energy.com.ph/> by May 31, 2025.

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 177 of the Revised Corporation Code, this report is signed on behalf of the Issuer by the undersigned, thereunto duly authorized, in the City of Pasig on March 14, 2025.

By:



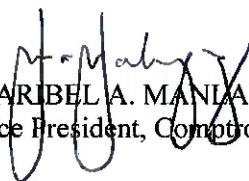
FRANCIS GILES B. PUNO
Vice Chairman and Chief Executive Officer



JEROME H. CAINGLET
President and Chief Operating Officer



ERWIN O. AVANTE
Senior Vice President and Chief Financial Officer/
Treasurer and Compliance Officer for SEC



MARIBEL A. MANLAPAZ
Vice President, Comptroller



BERNADETTE ANN V. POLICARPIO
Vice President and Corporate Secretary

MAR 19 2025

SUBSCRIBED AND SWORN to before me this _____ at PASIG CITY
affiants exhibiting to me their respective valid government issued IDs, as follows:

<u>NAMES</u>	<u>ID NO.</u>	<u>DATE OF ISSUE</u>	<u>PLACE OF ISSUE</u>
Francis Giles B. Puno			
Jerome H. Cainglet			
Erwin O. Avante			
Maribel A. Manlapaz			
Bernadette Ann V. Policarpio			



ATTY. LAWRENCE GERARD T. ORTIZ
Notary Public for and in the City of Pasig
And in the Municipality of Pateros, Metro Manila
Appointment No. 163 (2024-2025) (Until December 31, 2025)
Roll of Attorneys No. 67825
10th Floor, Rockwell Business Center Tower 3,
Ortigas Avenue, Pasig City 1604
PTR No. 3021005 / 01.03.2025 / Pasig City
IBP No. 494682 / 01.02.2025 / Makati Chapter

Doc. No. 73 ;
Page No. 16 ;
Book No. II ;
Series of 2025.

Exhibits 1 & 2

- Audited Consolidated Financial Statements for the years ended December 31, 2024 and 2023 received by the BIR
- Index to Consolidated Financial Statements
 - Reconciliation of Retained Earnings Available for Dividend Declaration
 - Map Showing the Relationships Between and Among the Companies in the Group, its Ultimate Parent Company and Co-subsiidiaries
 - Schedule of Financial Soundness Indicator



Donna Gracia Piano <mantuano.dgp@energy.com.ph>

SEC eFast Initial Acceptance

1 message

noreply-cifssost@sec.gov.ph <noreply-cifssost@sec.gov.ph>

Thu, Mar 27, 2025 at 11:42 AM

Greetings!

SEC Registration No: 0000066381

Company Name: ENERGY DEVELOPMENT CORPORATION

Document Code: AFS

This serves as temporary receipt of your submission.

Subject to verification of form and quality of files of the submitted report.

Another email will be sent as proof of review and acceptance.

Thank you.

REMINDER: TO ALL FILERS OF REPORTS IN THE e-FAST Please strictly follow the instruction stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer. 1. General Information Sheet (GIS-Stock) 2. General Information Sheet (GIS-Non-stock) 3. General Information Sheet (GIS- Foreign stock & non-stock) 4. Broker Dealer Financial Statements (BDFS) 5. Financing Company Financial Statements (FCFS) 6. Investment Houses Financial Statements (IHFS) 7. Publicly – Held Company Financial Statement 8. General Form for Financial Statements 9. Financing Companies Interim Financial Statements (FCIF) 10. Lending Companies Interim Financial Statements (LCIF) Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFast, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the reports rejection in the remarks box.

SECURITIES AND EXCHANGE COMMISSION

SEC Headquarters, [7907 Makati Avenue](#),
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

THIS IS AN AUTOMATED MESSAGE - PLEASE DO NOT REPLY DIRECTLY TO THIS EMAIL

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

March 14, 2025

Securities and Exchange Commission
7907 Makati Avenue, Salcedo Village,
Bel-Air, Makati City

The management of Energy Development Corporation and Subsidiaries (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024, December 31, 2023 and December 31, 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip, Gorres, Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



Francis Giles B. Puno
Vice Chairman/Chief Executive Officer



Jerome H. Cainglet
President/Chief Operating Officer



Erwin O. Avante
Senior Vice-President/Chief Financial Officer/
Treasurer

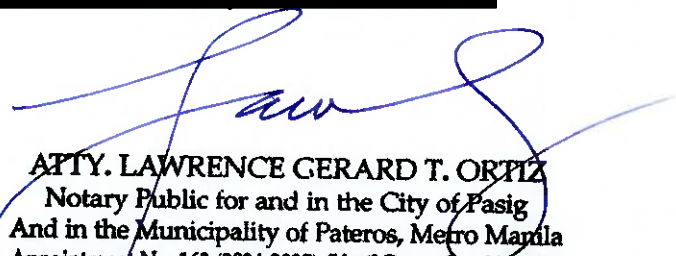
MAR 19 2025

PASIG CITY

SUBSCRIBED AND SWORN to before me this _____ 2025 at _____ affiants exhibiting to me their respective valid government issued IDs, as follows:

Name	ID NO.	Date/Place of Issue
Francis Giles B. Puno		
Jerome H. Cainglet		
Erwin O. Avante		

Doc. No.: 72.
Page No.: 16
Book No.: II
Series of 2025.


ATTY. LAWRENCE GERARD T. ORTIZ
Notary Public for and in the City of Pasig
And in the Municipality of Pateros, Metro Manila
Appointment No. 163 (2024-2025) (Until December 31, 2025)
Roll of Attorneys No. 67825
10th Floor, Rockwell Business Center Tower 3,
Ortigas Avenue, Pasig City 1604
PTR No. 3021005 / 01.03.2025 / Pasig City
IBP No. 494682 / 01.02.2025 / Makati Chapter



REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S. S.

SECRETARY'S CERTIFICATE

I, **BERNADETTE ANN V. POLICARPIO**, Filipino, of legal age, with office address at the 10th Floor, Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City, being the duly elected Corporate Secretary of **ENERGY DEVELOPMENT CORPORATION** (the "Company"), a corporation organized and existing under Philippine laws with principal office at Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City, hereby certify that:

1. During the regular meeting of the Board of Directors (the "Board") held on **14 March 2025**, at which a quorum was present and acted throughout, the Board approved the following resolution:

Resolution No. 4, Series of 2025

"RESOLVED, that the Board of Directors of Energy Development Corporation (the "Company") hereby authorizes, the President/Chief Operating Officer and the Chief Financial Officer, acting singly or jointly, or any of their duly authorized representatives, to finalize and approve the issuance of the audited consolidated financial statements of the Company and its subsidiaries and audited stand-alone financial statements of the Company for the year ended December 31, 2024 and its submission to the Bureau of Internal Revenue and the Securities and Exchange Commission in compliance with regulatory requirements;

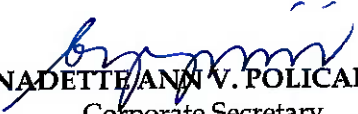
"RESOLVED FURTHER, that the Chairman of the Board of Directors (or in his absence, the Vice-Chairman), the President/Chief Operating Officer, and the Chief Financial Officer, be authorized to sign the audited consolidated financial statements of the Company and its subsidiaries and audited stand-alone financial statements of the Company for the year ended December 31, 2024, including the Statement of Management's Responsibility for Financial Statements;

"RESOLVED FURTHER, that the Board of Directors of the Company hereby notes and affirms that the audited consolidated financial statements of the Company and its subsidiaries and audited stand-alone financial statements of the Company for the year ended December 31, 2024 submitted in final form are true and fair representation of the Company's financial condition."



2. The foregoing resolution is in accordance with the record of the Company, is in full force and effect, and has not been amended and/or rescinded.

IN WITNESS WHEREOF, I have hereunto signed this Secretary's Certificate this 18 March 2025 at Pasig City.


BERNADETTE ANN V. POLICARPIO
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this 18 March 2025 at Pasig City by Bernadette Ann V. Policarpio, with Passport No. [REDACTED] issued on [REDACTED] who is personally known to me, and who is the same person who personally signed before me the foregoing Secretary's Certificate and acknowledged that she executed the same.

Déc. No. 48 ;
Page No. 11 ;
Book No. II ;
Series of 2025.


ATTY. LAWRENCE GERARD T. ORTIZ
Notary Public for and in the City of Pasig
and in the Municipality of Pateros, Metro Manila
Appointment No. 163 (2024-2025) (Until December 31, 2025)
Roll of Attorneys No. 67825
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Ortigas Avenue, Pasig City 1604
PTR No. 3021005/01.03.2025/Pasig City
IBP No. 494682/01.02.2025/Makati Chapter

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

E	N	E	R	G	Y		D	E	V	E	L	O	P	M	E	N	T		C	O	R	P	O	R	A	T	I	O	N
(	A		S	u	b	s	i	d	i	a	r	y		o	f		R	e	d		V	u	l	c	a	n		H	o
l	d	i	n	g	s		C	o	r	p	o	r	a	t	i	o	n	)		A	N	D		S	U	B	S	I	D
I	A	R	I	E	S																								

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

R	o	c	k	w	e	l	l		B	u	s	i	n	e	s	s		C	e	n	t	e	r		T	o	w	e	r
3	,		O	r	t	i	g	a	s		A	v	e	n	u	e	,		P	a	s	i	g		C	i	t	y	,
P	h	i	l	i	p	p	i	n	e	s																			

Form Type

A	C	F	S
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Department requiring the report

C	F	D	
---	---	---	--

Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address

EDC_CS@energy.com.ph

Company's Telephone Number

7755-2332

Mobile Number

09178060835

No. of Stockholders

333

Annual Meeting (Month / Day)

First Tuesday of May

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Maribel A. Manlapaz

Email Address

manlapaz.ma@energy.com.ph

Telephone Number/s

7755-2332

Mobile Number

09178060835

CONTACT PERSON'S ADDRESS

Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City, Philippines

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



INDEPENDENT AUDITOR'S REPORT

Stockholders and The Board of Directors
Energy Development Corporation
Rockwell Business Center Tower 3
Ortigas Avenue, Pasig City, Philippines

Opinion

We have audited the consolidated financial statements of Energy Development Corporation (a subsidiary of Red Vulcan Holdings Corporation) and its subsidiaries (collectively referred to as the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Recoverability of Goodwill

Under PFRS Accounting Standards, the Group is required to annually test the recoverability of goodwill. As at December 31, 2024, the Group has goodwill amounting to ₱2,535.1 million, of which ₱2,241.7 million resulted from Green Core Geothermal, Inc.'s acquisition of the Palinpinon and Tongonan geothermal power plants. This annual recoverability test of goodwill is significant to our audit because the amount of goodwill is material to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to uncertainty on the estimation process, specifically budgeted gross margin, growth rate and discount rate.

The related disclosures on the Group's goodwill are included in Notes 3 and 13 to the consolidated financial statements.

Audit Response

We evaluated the methodology used and the management's assumptions by comparing the key assumptions used such as budgeted gross margin and growth rate against the historical performance of the Palinpinon and Tongonan geothermal power plants, industry outlook and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the recoverability test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill.

Recoverability of Exploration and Evaluation Assets

As at December 31, 2024, the carrying value of the Group's exploration and evaluation assets amounted to ₱2,649.6 million. Under PFRS 6, *Exploration for and Evaluation of Mineral Resources*, these exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amounts exceed the recoverable amounts. The ability of the Group to recover its exploration and evaluation assets would depend on the commercial viability of the projects. This matter is important to our audit because of the substantial amount of exploration and evaluation assets and the significant management judgment required in assessing whether there is any indication that these may not be recoverable.

The related disclosures on the Group's exploration and evaluation assets are included in Notes 3 and 14 to the consolidated financial statements.



Audit Response

We obtained management's assessment on whether there is any indication that the exploration and evaluation assets may not be recoverable. We inspected the summary of the status of each exploration project as of December 31, 2024, as certified by the Group's technical group head, and assessed whether ongoing exploration activities exist to support the continued capitalization of these assets under the Group's accounting policies, and compared it with the disclosures submitted to the regulatory agency. We reviewed the terms of contracts and budget for exploration costs. We inspected the licenses and permits of each exploration project to determine that the period for which the Group has the right to explore in the specific area has not expired or is not expiring in the near future. We also inquired of management about the project areas that are expected to be abandoned or any exploration activities that are planned to be discontinued in those areas.

Other Information

Management is responsible for the other information. The other information comprises the SEC Form 17-A for the year ended December 31, 2024 but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2024, which are expected to be made available to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

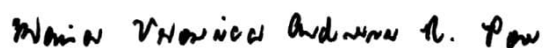
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is
Maria Veronica Andresa R. Pore.

SYCIP GORRES VELAYO & CO.



Maria Veronica Andresa R. Pore

Partner

CPA Certificate No. 90349

Tax Identification No. 164-533-282

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-071-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465361, January 2, 2025, Makati City

March 14, 2025



ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6 and 31)	₱13,579,439,221	₱17,421,012,635
Financial assets at fair value through profit or loss (Notes 8 and 31)	65,482,214	17,745,812
Trade and other receivables (Notes 3, 7, 20, 31, 32 and 37)	7,066,307,649	6,886,560,258
Due from related parties (Notes 20 and 31)	58,387,506	41,709,163
Parts and supplies inventories (Notes 3 and 10)	12,709,418,518	8,491,951,068
Derivative assets (Note 31)	213,687	34,333,755
Other current assets (Note 11)	2,980,908,878	6,141,840,185
Total Current Assets	36,460,157,673	39,035,152,876
Noncurrent Assets		
Property, plant and equipment (Notes 3 and 12)	138,573,987,979	111,867,342,302
Goodwill and intangible assets (Notes 3 and 13)	3,332,392,800	3,424,863,960
Exploration and evaluation assets (Notes 3 and 14)	2,649,609,275	2,150,964,593
Deferred tax assets - net (Notes 3 and 29)	865,508,396	875,533,081
Derivative assets - net of current portion (Note 31)	854,749	233,469,528
Financial assets at fair value through other comprehensive income (Notes 9 and 31)	301,210,271	288,985,082
Other noncurrent assets (Notes 3, 15 and 31)	11,001,289,553	8,376,824,110
Total Noncurrent Assets	156,724,853,023	127,217,982,656
TOTAL ASSETS	₱193,185,010,696	₱166,253,135,532

LIABILITIES AND EQUITY

Current Liabilities		
Trade and other payables (Notes 3, 16, 20 and 31)	₱21,871,459,285	₱20,483,824,584
Due to related parties (Notes 20 and 31)	1,793,895	1,668,334
Income tax payable	37,751,717	218,892,879
Current portion of:		
Long-term debts (Notes 17 and 31)	9,095,041,512	8,964,648,449
Lease liabilities (Notes 3, 20, 31 and 32)	620,383,717	166,254,090
Total Current Liabilities	31,626,430,126	29,835,288,336

(Forward)



	December 31	
	2024	2023
Noncurrent Liabilities		
Long-term debts - net of current portion (Notes 17 and 31)	₱65,428,738,667	₱46,769,771,820
Long-term lease liabilities - net of current portion (Notes 3, 20, 31 and 32)	4,163,975,068	157,640,912
Net retirement and other post-employment benefits (Notes 3 and 28)	2,439,840,226	2,627,411,359
Deferred tax liabilities - net (Notes 3 and 29)	93,512,275	134,863,515
Provisions and other long-term liabilities (Notes 3, 18 and 32)	4,147,746,778	3,355,342,655
Total Noncurrent Liabilities	76,273,813,014	53,045,030,261
Total Liabilities	107,900,243,140	82,880,318,597
Equity		
Equity attributable to equity holders of the Parent Company:		
Preferred stock (Note 19)	93,750,000	93,750,000
Common stock (Note 19)	19,076,250,000	19,076,250,000
Treasury stock (Note 19)	(14,831,995,944)	(14,730,745,981)
Additional paid-in capital (Note 19)	8,715,108,001	8,715,108,001
Equity reserve (Note 19)	(3,706,430,769)	(3,706,430,769)
Net accumulated unrealized gain on financial assets at fair value through other comprehensive income (Note 9)	109,368,342	100,286,395
Fair value adjustments on hedging transactions (Note 31)	(212,516,994)	(3,594,339)
Cumulative translation adjustments (Note 19)	1,875,975,250	1,593,080,261
Retained earnings (Note 19):		
Unappropriated	37,464,827,269	26,051,220,324
Appropriated	35,000,000,000	43,795,570,044
	83,584,335,155	80,984,493,936
Non-controlling interests (Note 19)	1,700,432,401	2,388,322,999
Total Equity	85,284,767,556	83,372,816,935
TOTAL LIABILITIES AND EQUITY	₱193,185,010,696	₱166,253,135,532

See accompanying Notes to Consolidated Financial Statements.



ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2024	2023	2022
REVENUE FROM SALE OF ELECTRICITY (Notes 3, 5, 20, 21, 35 and 37)	₱46,148,666,254	₱47,171,649,795	₱48,700,352,764
COSTS OF SALE OF ELECTRICITY (Notes 10, 12, 13, 20, 22, 24, 28, 33, 35 and 36)	(24,716,083,479)	(22,569,292,869)	(26,587,499,563)
GENERAL AND ADMINISTRATIVE EXPENSES (Notes 10, 12, 13, 15, 23, 24 and 28)	(8,180,069,206)	(6,848,215,984)	(6,402,577,580)
FINANCIAL INCOME (EXPENSE)			
Interest income (Notes 6, 11, 25 and 31)	588,726,187	818,323,067	258,131,186
Interest expense (Notes 17, 18, 25, 31 and 32)	(3,651,435,240)	(3,179,766,304)	(2,872,574,735)
	(3,062,709,053)	(2,361,443,237)	(2,614,443,549)
OTHER INCOME (CHARGES)			
Foreign exchange gains (losses) (Notes 26 and 31)	51,226,629	10,288,475	(43,860,848)
Miscellaneous income (charges) - net (Notes 17, 27 and 35)	3,557,496	569,331,404	(126,358,067)
	54,784,125	579,619,879	(170,218,915)
INCOME BEFORE INCOME TAX	10,244,588,641	15,972,317,584	12,925,613,157
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 29)			
Current	966,472,746	1,629,952,784	1,810,102,780
Deferred	36,849,773	(49,193,057)	(17,017,667)
	1,003,322,519	1,580,759,727	1,793,085,113
NET INCOME	₱9,241,266,122	₱14,391,557,857	₱11,132,528,044
Net income attributable to:			
Equity holders of the Parent Company	₱9,124,256,720	₱14,267,180,431	₱10,979,385,739
Non-controlling interests	117,009,402	124,377,426	153,142,305
	₱9,241,266,122	₱14,391,557,857	₱11,132,528,044
Basic/Diluted Earnings Per Share for Net Income Attributable to Equity Holders of the Parent Company (Note 30)	₱518,433.42	₱819,975.99	₱627,046.44

See accompanying Notes to Consolidated Financial Statements.



ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2024	2023	2022
NET INCOME	₱9,241,266,122	₱14,391,557,857	₱11,132,528,044
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>			
Cumulative translation adjustments on foreign subsidiaries (Note 19)	282,894,989	(85,352,688)	968,733,038
Fair value adjustments on hedging transactions, net of tax effect amounting to ₱69,943,476 in 2024, ₱25,078,289 in 2023 and ₱28,995,245 in 2022 (Notes 29 and 31)	(208,922,655)	(75,733,000)	660,623,158
Changes in fair value of debt instruments at fair value through other comprehensive income (Note 9)	244,930	11,907,435	(20,899,368)
NET OTHER COMPREHENSIVE INCOME (LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	74,217,264	(149,178,253)	1,608,456,828
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>			
Remeasurements of retirement and other post-employment benefits, net of tax effect amounting to ₱1,762,563 in 2024, ₱74,835,243 in 2023 and ₱18,096,947 in 2022 (Note 29)	(15,863,061)	(673,517,184)	162,872,522
Changes in fair value of equity instruments designated at fair value through other comprehensive income (Note 9)	11,980,259	19,050,270	24,206,428
NET OTHER COMPREHENSIVE INCOME (LOSS) NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	(3,882,802)	(654,466,914)	187,078,950
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	70,334,462	(803,645,167)	1,795,535,778
TOTAL COMPREHENSIVE INCOME, NET OF TAX	₱9,311,600,584	₱13,587,912,690	₱12,928,063,822
Total comprehensive income attributable to:			
Equity holders of the Parent Company	₱9,194,591,182	₱13,472,023,255	₱12,771,261,744
Non-controlling interests	117,009,402	115,889,435	156,802,078
	₱9,311,600,584	₱13,587,912,690	₱12,928,063,822

See accompanying Notes to Consolidated Financial Statements.



ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Preferred Stock (Note 19)	Common Stock (Note 19)	Treasury Stock (Note 19)	Additional Paid-in Capital (Note 19)	Equity Reserve (Note 19)	Net Accumulated Unrealized Gain on Financial Assets at FVOCI (Note 19)	Fair Value Adjustments on Hedging Transactions (Note 19)	Cumulative Translation Adjustments (Note 19)	Unappropriated Retained Earnings (Note 19)	Appropriated Retained Earnings (Note 19)	Subtotal	Non-controlling Interests (Note 19)	Total Equity
Balances, January 1, 2024	₱93,750,000	₱19,076,250,000	(₱14,730,745,981)	₱8,715,108,001	(₱3,706,430,769)	₱100,286,395	(₱3,594,339)	₱1,593,080,261	₱26,051,220,324	₱43,795,570,044	₱80,984,493,936	₱2,388,322,999	₱83,372,816,935
Total comprehensive income	-	-	-	-	-	-	-	-	9,124,256,720	-	9,124,256,720	117,009,402	9,241,266,122
Net income	-	-	-	-	-	-	-	-	-	-	-	-	(208,922,655)
Fair value adjustments on hedging transactions (Note 31)	-	-	-	-	-	-	(208,922,655)	-	-	-	(208,922,655)	-	-
Cumulative translation adjustments on foreign subsidiaries (Note 19)	-	-	-	-	-	-	-	282,894,989	-	-	282,894,989	-	282,894,989
Changes in fair value of equity instruments at FVOCI recognized in equity (Note 9)	-	-	-	-	-	11,980,259	-	-	-	-	11,980,259	-	11,980,259
Transfer of net accumulated unrealized gain on financial assets at FVOCI to retained earnings (Note 9)	-	-	-	-	-	(3,143,242)	-	-	-	3,143,242	-	-	-
Remeasurements of retirement and other post-employment benefits (Note 28)	-	-	-	-	-	-	-	-	(15,863,061)	-	(15,863,061)	-	(15,863,061)
Changes in fair value of debt instruments designated at FVOCI recognized in equity (Note 9)	-	-	-	-	-	244,930	-	-	-	-	244,930	-	244,930
Total other comprehensive income	-	-	-	-	-	9,081,947	(208,922,655)	282,894,989	(12,719,819)	-	70,334,462	117,009,402	70,334,462
	-	-	-	-	-	9,081,947	(208,922,655)	282,894,989	9,111,536,901	-	9,194,591,182	-	9,311,600,584
Appropriation of retained earnings (Note 19)	-	-	-	-	-	-	-	-	(35,000,000,000)	35,000,000,000	-	-	-
Reversal of appropriation of retained earnings (Note 19)	-	-	-	-	-	-	-	-	43,795,570,044	(43,795,570,044)	-	-	-
Cash dividend (Note 19)	-	-	-	-	-	-	-	-	(6,493,500,000)	-	(6,493,500,000)	-	(6,493,500,000)
Cash dividend on non-controlling interest (Note 19)	-	-	-	-	-	-	-	-	-	-	-	(804,900,000)	(804,900,000)
Acquisition of treasury stock (Note 19)	-	-	(101,249,963)	-	-	-	-	-	-	-	(101,249,963)	-	(101,249,963)
Balances, December 31, 2024	₱93,750,000	₱19,076,250,000	(₱14,831,995,944)	₱8,715,108,001	(₱3,706,430,769)	₱109,368,342	(₱212,516,994)	₱1,875,975,250	₱37,464,827,269	₱35,000,000,000	₱83,584,335,155	₱1,700,432,401	₱85,284,767,556

(Forward)



	Net										Non-controlling		Total Equity					
	Preferred Stock		Common Stock		Treasury Stock		Additional Paid-in Capital		Equity Reserve		Accumulated Unrealized Gain on Financial Assets at FVOCI	Fair Value Adjustments on Hedging Transactions		Cumulative Translation Adjustments	Unappropriated Retained Earnings	Appropriated Retained Earnings	Subtotal	Interests
	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)
Balances, January 1, 2022																		
Total comprehensive income	₹3,750,000	₹19,076,250,000	(₹14,729,043,061)	₹8,715,108,001	(₹3,706,430,769)	₹7,346,630	(₹588,484,497)	₹709,699,911	₹42,290,651,190	₹13,894,154,283	₹65,829,001,688	₹2,115,631,486	₹67,944,633,174					
Net income	-	-	-	-	-	-	-	-	10,979,385,739	-	10,979,385,739	153,142,305	11,132,528,044					
Fair value adjustments on hedging transactions (Note 31)	-	-	-	-	-	-	660,623,158	-	-	-	660,623,158	-	660,623,158					
Cumulative translation adjustments on foreign subsidiaries (Note 19)	-	-	-	-	-	-	-	968,733,038	-	-	968,733,038	-	968,733,038					
Changes in fair value of equity instruments at FVOCI recognized in equity (Note 9)	-	-	-	-	-	-	24,206,428	-	-	-	24,206,428	-	24,206,428					
Transfer of net accumulated unrealized gain on financial assets at FVOCI to retained earnings (Note 9)	-	-	-	-	-	-	(6,510,000)	-	6,510,000	-	-	-	-					
Remeasurements of retirement and other post-employment benefits (Note 28)	-	-	-	-	-	-	-	-	159,212,749	-	159,212,749	3,659,773	162,872,522					
Changes in fair value of debt instruments designated at FVOCI recognized in equity (Note 9)	-	-	-	-	-	-	(20,899,368)	-	-	-	(20,899,368)	-	(20,899,368)					
Total other comprehensive income	-	-	-	-	-	-	(3,202,940)	660,623,158	165,722,749	-	1,791,876,005	3,659,773	1,795,535,778					
Appropriation of retained earnings (Note 19)	-	-	-	-	-	-	(3,202,940)	660,623,158	11,145,108,488	-	12,771,261,744	156,802,078	12,928,063,822					
Reversal of appropriation of retained earnings (Note 19)	-	-	-	-	-	-	-	-	(30,000,000,000)	30,000,000,000	-	-	-					
Cash dividend (Note 19)	-	-	-	-	-	-	-	-	6,632,664,565	(6,632,664,565)	-	-	-					
Acquisition of treasury stock (Note 19)	-	-	(1,702,920)	-	-	-	-	-	(5,293,500,000)	-	(5,293,500,000)	-	(5,293,500,000)					
Balances, December 31, 2022	₹93,750,000	₹19,076,250,000	(₹14,730,745,981)	₹8,715,108,001	(₹3,706,430,769)	₹7,143,690	₹72,138,661	₹1,678,432,949	₹24,774,924,243	₹37,261,489,718	₹73,305,060,512	₹2,272,433,564	₹75,577,494,076					

ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱10,244,588,641	₱15,972,317,584	₱12,925,613,157
Adjustments for:			
Depreciation and amortization (Notes 12, 13, 22 and 23)	7,062,686,820	7,240,432,062	6,807,096,972
Interest expense (Note 25)	3,651,435,240	3,179,766,304	2,872,574,735
Interest income (Notes 6, 11, 25 and 31)	(588,726,187)	(818,323,067)	(258,131,186)
Loss (gain) on disposal and retirement of property, plant and equipment (Notes 12 and 27)	369,134,416	801,045	(5,165,656)
Provision for impairment of trade and other receivables, prepaid taxes, and others (Notes 7, 15 and 23)	332,073,222	31,220,205	688,464,769
Unrealized foreign exchange losses (gains) - net (Note 26)	204,089,261	(3,248,159)	108,245,605
Change in net retirement and other post- employment benefits	(203,434,195)	194,174,346	95,672,460
Gain on unwinding of derivatives (Note 27)	(202,397,116)	—	—
Provision for (reversal of) impairment of parts and supplies inventories (Notes 3, 5, 10 and 23)	138,871,710	(69,773,870)	20,721,752
Loss on direct write-off of input VAT claims (Notes 15 and 27)	78,954,381	44,055,773	10,560,486
Mark-to-market losses (gains) on financial assets at fair value through profit or loss (Notes 8 and 27)	(2,207,790)	(1,018,757)	7,689,361
Realized losses (gains) from redemption of financial assets at fair value through profit or loss (Notes 8 and 27)	(144,472)	1,537	(31,259,850)
Provision for impairment of goodwill, property, plant and equipment, exploration and evaluation, and other various assets (Notes 1, 12, 13, 14, 20 and 27)	—	282,352,678	—
Operating income before working capital changes	21,084,923,931	26,052,757,681	23,242,082,605
Decrease (increase) in:			
Trade and other receivables	(317,056,824)	635,598,889	(1,471,877,502)
Due from related parties	(16,678,343)	(10,871,735)	(14,485,643)
Parts and supplies inventories	(4,356,339,160)	(547,046,842)	(1,358,192,689)
Other current assets	3,564,871,496	(4,031,184,604)	333,257,136
Increase (decrease) in:			
Trade and other payables	1,520,460,629	4,979,440,952	2,420,806,302
Due to related parties	125,561	(31,423,275)	29,921,480
Provisions and other long-term liabilities	669,030,680	121,694,895	475,583,889
Cash generated from operations	22,149,337,970	27,168,965,961	23,657,095,578
Income tax paid, including creditable withholding tax	(1,551,554,097)	(2,137,142,562)	(1,848,579,922)
Net cash flows from operating activities	20,597,783,873	25,031,823,399	21,808,515,656

(Forward)



	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property, plant and equipment (Note 12)	(P28,483,360,564)	(P18,047,854,462)	(P9,862,105,021)
Exploration and evaluation assets (Note 14)	(493,404,385)	(116,232,331)	(72,159,209)
Financial assets at FVOCI (Note 9)	(102,000,000)	—	(99,856,758)
Financial assets at FVPL (Note 8)	(51,160,145)	(54,000,000)	(2,512,500,000)
Intangible assets (Note 13)	(38,040,652)	(70,618,944)	(53,448,138)
Decrease (increase) to other noncurrent assets	(3,114,794,310)	(1,185,432,127)	(500,085,160)
Interest received	656,147,783	751,383,901	248,630,153
Proceeds from:			
Disposal of financial assets at FVOCI (Note 9)	102,000,000	37,000,000	33,950,000
Redemption of financial assets at FVPL (Note 8)	5,776,005	50,000,000	3,376,474,070
Sale of property, plant and equipment (Notes 12 and 27)	4,503,740	9,184,222	5,544,224
Net cash flows used in investing activities	(31,514,332,528)	(18,626,569,741)	(9,435,555,839)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Long term debts (Notes 17 and 38)	(16,745,091,214)	(9,591,175,666)	(14,288,395,546)
Dividends (Notes 19 and 38)	(7,298,400,000)	(5,792,589,831)	(5,293,500,000)
Interest and other financial charges (Note 38)	(3,428,342,462)	(2,920,280,324)	(2,667,275,303)
Lease liability (Notes 32 and 38)	(472,804,675)	(143,647,311)	(79,416,857)
Proceeds from:			
Availment of long-term debts - net of transaction cost (Note 17)	34,811,711,679	11,926,379,284	13,581,462,961
Unwinding of derivatives	277,156,396	—	—
Acquisition of treasury stock (Notes 1, 19 and 38)	(101,249,963)	—	(1,702,920)
Net cash flows from (used in) financing activities	7,042,979,761	(6,521,313,848)	(8,748,827,665)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,873,568,894)	(116,060,190)	3,624,132,152
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	31,995,480	(60,717,251)	(41,363,610)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17,421,012,635	17,597,790,076	14,015,021,534
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	P13,579,439,221	P17,421,012,635	P17,597,790,076

See accompanying Notes to Consolidated Financial Statements.



ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information and Authorization for Issuance of the Consolidated Financial Statements

General

Energy Development Corporation (the “Parent Company” or “EDC”) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on March 5, 1976.

The Parent Company and its subsidiaries (collectively referred to as the “Group”) are primarily engaged in the business of exploring, developing and operating geothermal energy and other indigenous renewable energy projects in the Philippines.

Red Vulcan is the parent company of EDC, while Lopez, Inc. is the ultimate parent company.

Red Vulcan and Lopez, Inc. are both incorporated in the Philippines.

As of December 31, 2024 and 2023, Red Vulcan holds the controlling voting interest with 63.9% ownership of EDC’s outstanding voting shares while Philippines Renewable Energy Holdings Corp. (PREHC) owns 34.9%.

Geothermal and Other Renewable Energy Projects

EDC’s geothermal power projects consist of two (2) principal activities: (i) the production of geothermal steam for use at EDC’s and its subsidiaries’ geothermal power plants, and (ii) the generation and sale of electricity through those geothermal power plants pursuant to “take-or-pay and take-and-pay offtake arrangements”. EDC’s electricity sales are supported by medium-term offtake agreements in various forms. EDC’s steam sales are backed by long-term offtake agreements with its wholly owned subsidiaries: (i) Geothermal Resource Sales Contracts (GRSCs) with Green Core Geothermal Inc. (GCGI); and (ii) Steam Sales Agreement (SSA) with Bac-Man Geothermal Inc. (BGI). EDC’s 25-year Power Purchase Agreements (PPAs) with National Power Corporation (NPC) covering EDC’s Unified Leyte (Leyte B) and Mindanao Geothermal Power Projects (Mindanao I and Mindanao II) expired in July 2022, February 2022 and June 2024, respectively (see Notes 3 and 21).

The Parent Company holds service contracts with the DOE corresponding to ten (10) geothermal contract areas, each granting the Parent Company exclusive rights to explore, develop, and utilize the corresponding resources in the relevant contract area. The Parent Company conducts commercial operations in four (4) of its ten (10) geothermal contract areas as follows:

- Tongonan, Kananga, and Ormoc City Leyte - EDC operates geothermal steamfield projects in Leyte, which deliver steam to the Tongonan geothermal power plant, owned by GCGI, a subsidiary of EDC and the EDC-owned Unified Leyte geothermal power plants.
- Southern Negros, Valencia, Negros Oriental - EDC operates one (1) geothermal steamfield project in Southern Negros, which delivers steam to the two (2) GCGI-owned Palinpinon geothermal power plants, and the EDC-owned Nasulo geothermal power plant.



- Bacon-Manito, Albay and Sorsogon - EDC operates one (1) geothermal steamfield project, which delivers steam to two (2) geothermal power plants in Albay and Sorsogon, owned by BGI.
- Mt. Apo, Kidapawan City, Cotabato - EDC operates one (1) geothermal steamfield project, which delivers steam to three (3) EDC-owned geothermal power plants in Mt. Apo.

The Group also operates hydroelectric power plants through First Gen Hydro Power Corporation (FG Hydro), a 60%-owned subsidiary of EDC. FG Hydro generates revenue from the sale of electricity generated by its 132-Megawatt (MW) Pantabangan-Masiway hydroelectric plants (PAHEP/MAHEP) located in Nueva Ecija.

The 150 MW wind and 6.82 MW solar projects of EBWPC and EDC were granted a Feed-In-Tariff (“FIT”) Certificate of Compliance (COC) by the Energy Regulatory Commission (ERC) that entitles them to the applicable FIT rates, subject to adjustments as may be approved by the ERC, for the entire duration of their FIT eligibility periods.

EDC Siklab Power Corporation (EDC Siklab), a wholly-owned subsidiary of EDC, operates solar rooftop systems in various Gaisano Capital’s malls located in the provinces of Iloilo, Aklan, Leyte, Southern Leyte and Sorsogon.

Power Supply Agreements (PSAs)

The Parent Company and its subsidiaries, namely GCGI, BGI, FG Hydro and ULGEI, hold offtake agreements in the form of PSAs with various customers, particularly electric cooperatives and retail electricity suppliers (see Note 21).

Retail Supply Contracts (RSCs)

On February 14, 2017, the ERC approved BGI’s application for a Retail Electricity Supplier (RES) license. The RES license allows BGI to engage in the supply of electricity to end-users in the contestable market through retail supply contracts (RSC). Generated electricity in excess of contracted levels is sold to the Wholesale Electricity Spot Market (WESM).

On August 3, 2022, the RES license of BGI was extended by the ERC for a period of one (1) year from August 14, 2022 until August 13, 2023. On December 13, 2023, the ERC renewed BGI’s RES license for a period of five (5) years, reckoned from August 14, 2023 until August 13, 2028.

On June 8, 2020, the ERC approved GCGI’s application for a RES license effective for a period of five (5) years from the date of issuance.

Green Energy Option Program Supply Contracts (GEOPSCs)

On May 20, 2021 and October 22, 2020, the Department of Energy (DOE) approved the application of GCGI and BGI, respectively, for an Operating Permit as Renewable Energy (RE) Supplier under the Green Energy Option Program (GEOP) valid for a period of five (5) years from the date of issuance.

The GEOP operating permit allows GCGI and BGI to supply electric power to an eligible end-user who opted for GEOP.

Ancillary Services Procurement Agreements (ASPAs)

EDC, GCGI and FG Hydro sell electricity through ancillary service to the National Grid Corporation of the Philippines (NGCP) under ASPAs. The ASPAs of EDC and GCGI expired in September 2022 while the ASPA of FG Hydro is valid until September 20, 2028. Generated electricity in excess of contracted levels is sold to the Wholesale Electricity Spot Market (WESM).



Subsidiaries

The Parent Company and its subsidiaries were separately incorporated and registered with the Philippine SEC, except for its foreign subsidiaries. Below are the Parent Company's voting interests in its subsidiaries:

	December 31, 2024 and 2023	
	Direct	Indirect
EDC Geothermal Corp. (EGC) ²	100.00	—
Green Core Geothermal Inc. (GCGI)	—	100.00
Bac-Man Geothermal Inc. (BGI)	—	100.00
Unified Leyte Geothermal Energy Inc. (ULGEI) ⁴	—	100.00
Bac-Man Energy Development Corporation (BEDC) ¹	—	100.00
Energy Development Corporation (EDC) EDC Chile Limitada ¹	99.99	0.01
EDC Holdings International Limited (EHIL) ²	100.00	—
Energy Development Corporation Hong Kong Limited (EDC HKL) ²	—	100.00
Energy Development Corporation Hong Kong International Investments Limited (EDC HKIIL) ²	—	100.00
EDC Chile Holdings SpA ²	—	100.00
EDC Geotermica Chile SpA (Chile) ¹	—	100.00
EDC Peru Holdings S.A.C. ³	—	100.00
EDC Geotermica S.A.C. ³	—	100.00
Geotermica Chocopata Peru S.A.C. ³	—	70.00
Energy Development Corporation Peru S.A.C. ³	—	100.00
Geotermica Andina S.A.C. ³	—	100.00
EDC Geotermica Del Sur S.A.C. ³	—	100.00
EDC Energía Azul S.A.C. ³	—	100.00
Geotermica Crucero Peru S.A.C. ³	—	70.00
EDC Energía Perú S.A.C. ³	—	100.00
Geotermica Tutupaca Norte Peru S.A.C. ³	—	70.00
EDC Energía Geotermica S.A.C. ³	—	100.00
EDC Progreso Geotermica Perú S.A.C. ³	—	100.00
Geotermica Loriscota Peru S.A.C. ³	—	70.00
EDC Energía Renovable Perú S.A.C. ³	—	100.00
Geotermica Pinchollo Libre Peru S.A.C. ³	—	70.00
EDC Soluciones Sostenibles Ltd ²	—	100.00
EDC Desarrollo Sostenible Ltd ²	—	100.00
EDC Energía Verde Peru S.A. ³	—	100.00
PT EDC Indonesia ¹	—	95.00
PT EDC Panas Bumi Indonesia ¹	—	95.00
EDC Wind Energy Holdings, Inc. (EWEHI) ²	100.00	—
EDC Burgos Wind Power Corporation (EBWPC)	—	100.00
EDC Pagudpud Wind Power Corporation (EPWPC) ¹	—	100.00
EDC Bayog Burgos Wind Power Corporation (EBBWPC) ¹	—	100.00
EDC Pagali Burgos Wind Power Corporation (EPBWPC) ¹	—	100.00
Iloilo 1 Renewable Energy Corporation (IIREC) ¹	—	100.00
EDC Bright Solar Energy Holdings, Inc. (EBSEHI) ²	100.00	—
EDC Siklab Power Corporation (EDC Siklab)	—	100.00
EDC Sinag Power Corporation (EDC Sinag) ¹	—	100.00
EDC Wind Energy Holdings 2 Inc. (EWEHI2) ²	100.00	—
First Gen Hydro Power Corporation (FG Hydro)	60.00	—

¹Has not started commercial operations as of December 31, 2024

²Serves as an investment holding company

³Ceased exploration and development activities as of December 31, 2024

⁴On June 27, 2024, BOD and Stockholders approved the shortening of corporate term until June 23, 2026



EGC

EGC was incorporated on April 9, 2008 to participate in the bid for a local power plant. The bid was won by and awarded to another local entity not within the Group. Thereafter, EGC became an investment holding company of its subsidiaries, namely GCGI, BGI, ULGEI and BEDC.

Further details on EGC's subsidiaries follow:

- GCGI was incorporated on June 22, 2009 to carry on the business of power generation, transmission, distribution and other energy-related businesses. GCGI is currently operating the 172.5 MW Palinpinon and 123.0 MW Tongonan 1 geothermal power plants in Negros Oriental and Leyte, respectively, following its successful acquisition from the Power Sector Assets and Liabilities Management Corporation (PSALM) in 2009.
- BGI was incorporated on April 7, 2010 primarily to carry on the general business of generating, transmitting, and/or distributing energy. BGI is currently operating the 140 MW Bac-Man Geothermal Power Plants (BMGPP) in Bicol, which it acquired from PSALM in May 2010.

Prior to the acquisition of BGI of the BMGPP, the Parent Company supplied and sold steam to NPC under the SSA.

The mechanical completion of the 29MW Palayan Binary has been achieved in November 2023, and the test and commissioning works is ongoing as of December 31, 2024.

On February 22, 2021, MUFG Bank, Ltd., issued an irrevocable standby letter of credit in favor of Turboden S.P.A for the supply contract entered into BGI. This expired on January 23, 2023. On December 6, 2022, MUFG Bank, Ltd. - Manila Branch issued an irrevocable standby letter of credit amounting to USD\$8.4 million in favor of Turboden S.p.A. for the supply contract entered with BGI. Effective November 30, 2023, the amount was reduced to USD\$8.3 million which expired on March 31, 2024.

- ULGEI was incorporated on June 23, 2010. The operation of ULGEI involves managing and/or trading of 40 MW Strips of Energy from ULGPP under the Independent Power Producer Administrators Agreement with PSALM. The agreement expired last July 25, 2021. As of December 31, 2024, there are no live contracts under ULGEI.

On June 27, 2024, the BOD and stockholders approved the shortening of the corporate term of ULGEI from fifty (50) years from and after the date of issuance of certificate of incorporation to until June 23, 2026.

- BEDC was incorporated on September 22, 2011 to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities and electric cooperatives. As of December 31, 2024, BEDC remained non-operating.

EDC Chile Limitada

EDC Chile Limitada is a limited liability company incorporated on February 11, 2010 in Santiago, Chile with the purpose of exploring, evaluating and extracting any mineral or substance to generate geothermal energy. As of December 31, 2024, EDC Chile Limitada remained non-operating.



EHIL and EDC HKL

EHIL was incorporated on August 17, 2011 in British Virgin Islands and serves as an investment holding company of EDC's international subsidiaries. EHIL owns 100% interest in EDC HKL, a company incorporated on November 22, 2011, in Hong Kong. The following entities are the subsidiaries under EDC HKL:

- EDC HKIL is a wholly owned subsidiary of EDC HKL, a company incorporated on November 18, 2016 in the British Virgin Island.
- EDC Chile Holdings SpA, which was incorporated on January 13, 2012 in Santiago, Chile, is a wholly owned subsidiary of EDC HKL and is the holding company of EDC Geotermica SpA (Chile) which was also incorporated on January 13, 2012 in Santiago, Chile. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities and electric cooperatives.
- EDC Peru Holdings S.A.C., incorporated on January 19, 2012 in Lima, Peru, is a 99.9%-owned subsidiary of EDC HKL. EDC Peru Holdings S.A.C. holds 99.9% stake in EDC Geotermica S.A.C., which was also incorporated on January 19, 2012 in Lima, Peru and in Geotermica Andina S.A.C., which was incorporated on October 31, 2024 in Lima, Peru. EHIL owns the remaining 0.1% stake in EDC Geotermica S.A.C. and Geotermica Andina S.A. C. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities and electric cooperatives.
- On July 17, 2012 and August 2, 2012, Energy Development Corporation Peru S.A.C and Geotermica Chocopata Peru S.A.C., respectively were incorporated in Lima, Peru as subsidiaries of EDC Geotermica S.A.C. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities and electric cooperatives.

On January 3, 2014, Energy Development Corporation Peru S.A.C became 100% indirectly owned subsidiary by the Parent Company.

- On February 27, 2013, EDC Geotermica Del Sur S.A.C., EDC Energía Azul S.A.C., EDC Energía Perú S.A.C., EDC Energía Geotérmica S.A.C., EDC Progreso Geotérmico Perú S.A.C., EDC Energía Renovable Perú S.A.C., were incorporated in Lima, Peru as 99.9%-owned by EDC HKL and 0.1%-owned by EDC Peru Holdings S.A.C. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities and electric cooperatives.

On July 5, 2013, three (3) entities were incorporated in Lima, Peru. These entities are Geotermica Crucero Peru S.A.C., as 70%-owned by EDC Energia Azul S.A.C; Geotermica Tutupaca Norte Peru S.A.C. as 70%-owned by EDC Energia Peru S.A.C.; and Geotermica Loriscota Peru S.A.C., as 70%-owned by EDC Progreso Geotermico S.A.C. On May 5, 2015, Geotermica Pinchollo Libre Peru, S.A.C. was incorporated in Lima, Peru, as 70%-owned by EDC Energia Renovable PeruS.A.C. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types and



kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities and electric cooperatives.

On May 25, 2023, the Board and stockholders of Energy Development Corporation Peru S.A.C decided to no longer pursue exploration and development activities in Peru due to political and market factors. As a result, the Group recognized provision for impairment loss on goodwill, property, plant and equipment, exploration and evaluation assets, and other various assets totaling to ₱282.4 million in 2023 (see Notes 12, 13 and 14).

- On January 3, 2014, EDC HKL purchased 100% interest in EDC Soluciones Sostenibles Ltd and EDC Desarrollo Sostenible Ltd located in British Virgin Islands (BVI) with a total offer price of US\$3.0 million. This effectively gave EDC HKL a 100% indirect interest to acquirees' subsidiary EDC Energia Verde Peru S.A. (see Note 3).
- On July 9, 2012, PT EDC Indonesia and PT EDC Panas Bumi Indonesia were incorporated in Jakarta Pusat, Indonesia as 95%-owned subsidiaries of EDC HKL.

On June 20, 2024, PT EDC Indonesia and PT EDC Panas Bumi made an adjustment on its capitalization by way of reducing the authorized capital and issued and paid-up capital.

As of December 31, 2024, all subsidiaries of EDC HKL remained non-operating.

EWEHI

EWEHI is a holding company incorporated on April 15, 2010. The following entities are the wholly owned subsidiaries of EWEHI:

- EBWPC was incorporated on April 13, 2010 to carry on the general business of generating, transmitting, and/or distributing energy. EBWPC operates the 150 MW Burgos Wind Project located in the Municipality of Burgos, Ilocos Norte.
- EPWPC was incorporated on February 29, 2012 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2024, EPWPC remained non-operating.
- EBBWPC and EPBWPC were both incorporated on May 22, 2014 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2024, EBBWPC and EPBWPC remained non-operating.
- IIREC was incorporated on February 9, 2016 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2024, IIREC remained non-operating.

EBSEHI

EBSEHI is a holding company incorporated on May 23, 2014. The following entities are the wholly-owned subsidiaries of EBSEHI:

- EDC Siklab was incorporated on May 22, 2014 to carry on the general business of generating, transmitting, and/or distributing energy.
- EDC Sinag was incorporated on November 19, 2014 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2024, EDC Sinag remained non-operating.



EWEHI2

EWEHI2 is a holding company incorporated on January 5, 2017. As of December 31, 2024, EWEHI2 remained non-operating.

FG Hydro

FG Hydro was incorporated on March 13, 2006 with primary activities on power generation, transmission, distribution and other energy-related businesses. FG Hydro operates the 132 MW PAHEP/MAHEP located in Nueva Ecija, Philippines. FG Hydro buys from and sells electricity to the WESM and to various privately-owned DUs under the PSAs and PSCs, and to NGCP through ancillary services under the ASPA.

Principal Office Address

The registered principal office address of the Parent Company is Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City, Philippines.

Authorization for Issuance of the Consolidated Financial Statements

The consolidated financial statements were reviewed and recommended for approval by the Audit and Governance Committee to the Board of Directors (Board) on March 7, 2025. The same consolidated financial statements were approved and authorized for issuance by the Board on March 14, 2025.

2. Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for derivative instruments, financial assets at fair value through profit or loss (FVPL) and financial assets at fair value through other comprehensive income (FVOCI) that are measured at fair value. The consolidated financial statements are presented in Philippine peso (₱), which is the Parent Company's functional currency. All values are rounded to the nearest ₱, except when otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group are prepared in accordance with Philippine Financial Reporting Standards (PFRSs) Accounting Standards.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- **Amendments to PAS 1, *Classification of Liabilities as Current or Non-current***

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.



- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Determination of Functional Currency

Each entity within the Group determines its own functional currency. The respective functional currency of EDC and its subsidiaries is the currency of the primary economic environment in which each entity operates. It is the currency that mainly influences the sale of services and the costs of providing services.

The presentation currency of the Group is the Philippine Peso, which is the Parent Company's functional currency. The functional currency of each of the Group's subsidiaries, as disclosed in Note 4 to the consolidated financial statements, is determined based on the economic substance of the underlying circumstances relevant to each subsidiary.

Applicability of Philippine Interpretation IFRIC-12, Service Concession Arrangements on the Geothermal Renewable Energy Service Contract, Wind Energy Service Contract and Solar Energy Service Contract

An arrangement would fall under Philippine Interpretation IFRIC-12 if the two (2) conditions below are met:

- a) the grantor controls or regulates the services that the operator must provide using the infrastructure, to whom it must provide them, and at what price; and
- b) the grantor controls any significant residual interest in the property at the end of the concession term through ownership, beneficial entitlement or otherwise.



Based on management's judgment, the Geothermal Renewable Energy Service Contracts (GRESs), Wind Energy Service Contracts (WESs) and Solar Energy Service Contracts (SESs) entered into by the Group are outside the scope of Philippine Interpretation IFRIC-12 since the Group controls the significant residual interest in the properties (i.e., the estimated useful lives of the assets exceed the service concession periods) at the end of the concession term through ownership.

Joint Venture Agreement between the Company and Alterra Power Corporation on Mariposa Geothermal Project

On May 20, 2013, EDC and Alterra Power Corporation (Alterra) executed a joint venture agreement (JVA) for the exploration and development of the Mariposa geothermal project in Chile (Mariposa Project). Following the execution of such JVA, EDC, Alterra and their relevant subsidiaries have executed Shareholders' Agreement and other related agreements all with effect on June 17, 2013 for the implementation of the terms of the JVA. Under the Shareholders' Agreement, EDC (through EDC Geotermica SpA, its wholly owned subsidiary in Chile) will subscribe to a 70% interest in Compañía De Energía (Enerco), an Alterra subsidiary in Chile that owns the Mariposa Project. On June 17, 2013, EDC subscribed to a 70% interest in Enerco through a Subscription Deed with Alterra.

While EDC Geotermica owns 70% interest in Enerco, it does not have the sole ability to direct the relevant activities which most significantly affect the returns of Enerco as the key operating and financial decisions of Enerco require the unanimous vote and consent of the parties sharing control. Accordingly, the investment in Enerco has been determined by management to be a joint arrangement to be accounted for as joint venture (see Note 15).

Stored Energy Commitments

Under its addendum agreements with NPC, the Parent Company has a commitment to NPC with respect to certain volume of stored energy that NPC may lift for a specified period, provided that the Parent Company is able to generate such energy over and above the nominated energy for each given year in accordance with the related PPAs. The Group has made a judgment based on historical information that future liftings by NPC from the stored energy is not probable and accordingly, has not deferred any portion of the collected revenues. The stored energy commitments are, however, disclosed in Note 32 to the consolidated financial statements.

Applicability of PFRS 16, Leases on the Parent Company's PPAs

The Parent Company has three (3) 25-year PPA with NPC covering Unified Leyte and Mindanao Geothermal Power Projects (Mindanao I and Mindanao II). The Parent Company evaluated its PPAs with NPC by applying the requirements of PFRS 16. Based on management's judgment, the PPAs with NPC do not contain a lease as the arrangements did not convey to the customer the right to control the use of the identified asset.

Revenue Recognition

The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

a) Identifying Performance Obligations

The Group identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are



readily available to the customer and the Group's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

The Group assesses performance obligations as a series of distinct goods and services that are substantially the same and have the same pattern of transfer if:

1. each distinct good or services in the series are transferred over time; and
2. the same method of progress will be used (i.e., units of delivery) to measure the entity's progress towards complete satisfaction of the performance obligation.

For revenue contracts under PPAs, PSAs, ASPAs including spot market sales and sale of electricity covered by the FIT scheme in which capacity and energy dispatched are separately identified, these are combined and considered as one (1) performance obligation since these are not distinct within the context of the contract as the customer cannot benefit from the contracted capacity without the corresponding energy and the customer cannot obtain energy without contracting a capacity.

Retail electricity and GEOP supply also qualify as a series of distinct goods or services which is accounted for as one performance obligation since the delivery of energy every month is a distinct service which is recognized over time and have the same measure of progress.

b) Revenue Recognition

The Group recognizes revenue when it satisfies an identified performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. The Group determines, at contract inception, whether it will transfer control of a promised good or service over time. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

The Group concluded that revenue from sale of electricity from contracts with customers are to be recognized over time, since customers simultaneously receive and consume the benefits as the Group supplies power.

Determination of Transaction Price from Sale of Electricity

The adjustment of the FIT rate for the delivered energy is a variable consideration which shall be accounted for in the period in which the transaction price changed. In 2020, the Group recognized additional revenue and long-term receivables computed on the FIT rate increment which will be recovered for a period of five (5) years starting January 1, 2021. From 2021 to 2024, while waiting for ERC's approval of the adjusted FIT rates, management has assessed that the lower between the ERC approved 2020 FIT rates and the TransCo forecasted FIT rates, represent the best estimate of the transaction price the Group will be entitled to in exchange for the delivered energy (see Note 37).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at financial reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may



change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Measurement of Expected Credit Losses

ECLs are derived from unbiased and probability-weighted estimates of expected loss. Financial assets that are not credit-impaired at the balance sheet date are measured as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

The Group leverages existing risk management indicators (e.g., internal credit risk classification and restructuring triggers), credit risk rating changes and reasonable and supportable information which allows the Group to identify whether the credit risk of financial assets has significantly increased.

The information about the ECLs on the Group's trade and other receivables are disclosed in Note 7.

Inputs, Assumptions and Estimation Techniques

General approach for cash in banks and other financial assets measured at amortized cost

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the probability of default (PD), loss given default (LGD) and exposure at default (EAD), defined as follows:

- *PD*

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining life of the obligation. PD estimates are estimates at a certain date, which are calculated based on available market data using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates. The 12-month and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instrument, respectively, based on conditions existing at reporting date and future economic conditions that affect credit risk.

- *LGD*

Loss Given Default represents the Group's expectation of the extent of loss on a defaulted exposure, taking into account the mitigating effect of collateral, its expected value when realized and the time value of money. LGD varies by type of counterparty, type of seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD.



- *EAD*

EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e., the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the balance sheet date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by counterparty.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGDs are influenced by collection strategies.

The assumptions underlying the ECL calculation such as how the maturity profile of the PDs change are monitored and reviewed on a quarterly basis.

Simplified approach for trade receivables

The Group uses a provision matrix to calculate ECLs for certain trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrices to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., inflation rate, gross domestic product (GDP), foreign exchange rate) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.



Incorporation of Forward-Looking Information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past five (5) years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Group has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

Estimating Net Realizable Value of Parts and Supplies Inventories

The Group measures its parts and supplies inventories at net realizable value when such value is lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. Provision for impairment of parts and supplies amounted to ₱138.9 million in 2024, reversal of impairment of parts and supplies inventories amounted to ₱69.8 million in 2023, and provision for impairment of parts and supplies amounted to ₱20.7 million in 2022 (see Notes 10 and 23). The carrying amounts of parts and supplies inventories as of December 31, 2024 and 2023 amounted to ₱12,709.4 million and ₱8,492.0 million, respectively (see Note 10).

Estimating Useful Lives of Property, Plant and Equipment (excluding Land and Construction in Progress), Water Rights and Other Intangible Assets

The Group estimates the useful lives of property, plant and equipment (excluding land and construction in progress), water rights and other intangible assets based on the period over which each asset is expected to be available for use and on the collective assessment of industry practices, internal evaluation and experience with similar arrangements.

The estimated useful life is revisited at the end of each financial reporting period and updated if expectations differ materially from previous estimates.

In 2023, the Group recognized impairment loss on property, plant and equipment amounting to ₱117.6 million (see Notes 1 and 12). No similar impairment loss was recognized in 2024 and 2022. There was also no impairment loss recognized on water rights and other intangible assets in 2024, 2023 and 2022. The carrying amount of the property, plant and equipment (excluding land and construction in progress) amounted to ₱91,407.4 million and ₱81,437.3 million as of December 31, 2024 and 2023, respectively (see Note 12). The carrying amount of water rights and other intangible assets amounted to ₱797.3 million and ₱889.8 million as of December 31, 2024 and 2023, respectively (see Note 13).



Impairment of Non-financial Assets other than Goodwill and Exploration and Evaluation Assets

The Group assesses whether there are any indicators of impairment for all non-financial assets other than goodwill at each balance sheet date. These non-financial assets other than goodwill are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The factors that the Group considers important which could trigger an impairment review include the following:

- significant under-performance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and,
- significant negative industry or economic trends.

The Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is computed using the value in use (VIU) approach. Recoverable amount is estimated for an individual asset or, if it is not possible, for the cash-generating unit (CGU) to which the asset belongs.

In the case of prepaid taxes, where the collection of tax claims is uncertain, the Group provides allowance for impairment of prepaid taxes based on the assessment of management and the Group's legal counsel.

Provision for impairment of prepaid taxes amounted to ₱385.5 million in 2024, reversal of impairment loss on prepaid taxes amounted to ₱54.1 million in 2023, and provision for impairment of prepaid taxes amounted to ₱152.2 million in 2022 (see Notes 15 and 23). The carrying amount of prepaid taxes amounted to ₱6,700.2 million and ₱4,680.5 million as of December 31, 2024 and 2023, respectively (see Note 15).

Loss on direct write-off of input VAT claims amounting to ₱79.0 million, ₱44.1 million and ₱10.6 million in 2024, 2023 and 2022, respectively, are included in "Miscellaneous income - net" in the consolidated statements of income (see Notes 15 and 27).

For property, plant and equipment and intangible assets, when VIU calculations are undertaken, management estimates the expected future cash flows from the asset or CGU and discounts such cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset to calculate the present value as of the financial reporting date.

Management also makes an assessment whether previously recognized impairment loss should be reversed. Reversal of an impairment loss is recognized when there is an increase in the estimated service potential of an asset, either from use or from sale, since the date when the Group last recognized an impairment loss for that asset.

The carrying amount of property, plant and equipment, water rights and other intangible assets as of December 31, 2024 and 2023 are as follows:

	2024	2023
Property, plant and equipment (Note 12)	₱138,573,987,979	₱111,867,342,302
Water rights (Note 13)	661,314,200	757,505,357
Other intangible assets (Note 13)	136,027,067	132,307,070
	₱139,371,329,246	₱112,757,154,729



Recoverability of Goodwill

As of December 31, 2024 and 2023, the Group's goodwill is allocated to the following CGUs:

Entity	CGU	
GCGI	Palinpinon power plant complex	₱2,107.6 million
GCGI	Tongonan power plant complex	134.2 million
FG Hydro	Pantabangan-Masiway hydroelectric plants	293.3 million
		₱2,535.1 million

Goodwill is tested for recoverability annually as at September 30 for GCGI and December 31 for FG Hydro or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

This requires an estimation of the VIU of the CGUs to which goodwill is allocated. Estimating VIU requires the Company to estimate the expected future cash flows from the CGUs and discount such cash flows using the weighted average cost of capital to calculate the present value of those future cash flows.

The recoverable amounts have been determined based on VIU calculation using cash flow projections based on financial budgets approved by senior management covering a five (5)-year period. The pre-tax discount rate applied to cash flow projections in 2024 ranges from 10.26% to 10.60%; while in 2023, the pre-tax discount rate applied ranges from 10.28% to 10.42%. The cash flows beyond the remaining term of the existing agreements are extrapolated using the growth rate of 5.6% for 2024 and 2023 for GCGI and 1.07% and 1.13% for 2024 and 2023, respectively, for FG Hydro.

Following are the key assumptions used:

- *Budgeted Gross Margin*

Budgeted gross margin is the average gross margin achieved in the year immediately before the budgeted year, increased for expected efficiency improvements.

- *Discount Rate*

Discount rate reflects the current market assessment of the risk specific to each CGU. The discount rate is based on the average percentage of EDC's weighted average cost of capital. This rate is further adjusted to reflect the market assessment of any risk specific to the CGU for which future estimates of cash flows have not been adjusted.

- *Growth Rate*

Cash flows beyond the five (5)-year period are extrapolated using a determined constant growth rate to arrive at the terminal value of each CGU.

The Group recognized provision for impairment loss on goodwill amounting to ₱85.8 million in 2023, pertaining to the acquisition of the Hot Rock companies (see Notes 1, 13 and 27). No similar impairment loss was recognized in 2024 and 2022 (see Notes 13 and 27).



Recoverability of Exploration and Evaluation Assets

Exploration and evaluation costs are recognized as assets in accordance with PFRS 6, *Exploration for and Evaluation of Mineral Resources*. Capitalization of these costs is based, to a certain extent, on management's judgment of the degree to which the expenditure may be associated with finding specific geothermal reserve.

The application of the Group's accounting policy for exploration and evaluation assets requires judgment and estimates in determining whether it is likely that the future economic benefits are certain, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available.

The Group reviews the carrying values of its exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. An impairment loss is recognized when the carrying values of these assets are not recoverable and exceeds their fair value.

The factors that the Group considers important which could trigger an impairment review of exploration and evaluation assets include the following:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of geothermal reserve in the specific area is neither budgeted nor planned;
- exploration for and evaluation of geothermal reserve in the specific area have not led to the discovery of commercially viable geothermal reserve and the Group decided to discontinue such activities in the specific area; and,
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The Group determines impairment of projects based on the technical assessment of its resident scientists in various disciplines or based on management's decision not to pursue any further commercial development of its exploration projects.

The Group recognized for impairment loss on exploration and evaluation costs amounting to ₱7.6 million in 2023. No similar loss was recognized in 2024 and 2022 (see Notes 1 and 14).

As of December 31, 2024 and 2023, the carrying amount of exploration and evaluation assets amounted to ₱2,649.6 million and ₱2,151.0 million, respectively (see Notes 14 and 33).

Retirement and Other Post-employment Benefits

The cost of defined benefits retirement plan and other post-employment medical and life insurance benefits are determined using the projected unit credit method of actuarial valuations. An actuarial valuation involves making assumptions about discount rates, future salary increases, medical trend rate, mortality and disability rates and employee turnover rates. Due to the complexity of the



valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as at financial reporting date. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates in the Philippines.

As of December 31, 2024 and 2023, the net retirement and other post-employment benefits liability amounted to ₱2,439.8 million and ₱2,627.4 million, respectively (see Note 28). The detailed information with respect to the Group's net retirement and other post-employment benefits is presented in Note 28 to the consolidated financial statements.

Provision for Rehabilitation and Restoration Costs

In 2009, with the conversion of its Geothermal Service Contracts (GSCs) to GRESCs, the Group has made a judgment that the GRESCs are subject to the provision for restoration costs. Similarly, under the WESC, the Group has made a judgment that it is responsible for the removal and the disposal of all materials, equipment and facilities installed in the contract area used for the wind energy project. In determining the amount of provisions for rehabilitation and restoration costs, assumptions and estimates are required in relation to the expected cost to rehabilitate and restore sites and infrastructure when such obligation exists.

As of December 31, 2024 and 2023, the Group adjusted its provision for rehabilitation and restoration costs to ₱1,769.4 million and ₱1,640.2 million, respectively, which is presented under "Provisions and other long-term liabilities" account in the consolidated statements of financial position (see Note 18). The revisions in estimate were mainly attributable to changes in discount rates.

Provision for Liabilities on Regulatory Assessments and Other Contingencies

The Group has pending assessments from various regulatory agencies and outstanding legal cases. The Group's estimate of the probable costs for the resolution of these assessments and legal cases has been developed in consultation with in-house and external legal counsels handling the defense of these cases, and is based upon the thorough analysis of the potential outcomes. Management, in consultation with its in-house and external legal counsels, believe that the Group's positions on these assessments are consistent with the relevant laws, and these assessments would not have a material adverse effect on the Group's consolidated financial position and results of operations.

It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings. As of December 31, 2024 and 2023, provisions for these liabilities amounting to ₱481.4 million and ₱473.6 million, respectively, are recorded and recognized as part of "Others" under "Provisions and other long-term liabilities" (see Note 18). Interest on liability from litigation amounted to ₱7.8 million in 2024, 2023 and 2022 (see Notes 18 and 25).



Estimation of Liability from Shortfall Generation

The Parent Company's PPA with NPC for Mindanao II provides a minimum offtake energy, which the Parent Company shall meet each contract year. The contract year for the Mindanao II PPA is for fiscal period ending December 25 (see Note 21). Assessment is made at every reporting date whether the nominated capacity or minimum offtake energy would be met based on management's projection of electricity generation covering the entire contract year. If the occurrence of shortfall generation is determined to be probable, the amount of estimated reimbursement to NPC is accounted for as a reduction to revenue for the period and a corresponding liability to NPC is recognized. As of December 31, 2024 and 2023, the Group's estimated liability arising from such shortfall generation amounted to ₱1,433.5 million and ₱1,581.2 million, respectively, shown under "Trade and other payables" account specifically under "Other payables" (see Note 16).

Moreover, the amount of estimations relating to the shortfall generation under the PPAs may be subsequently adjusted or reported depending on the subsequent reconciliation by the Technical or Steering Committee established in accordance with the PPAs, in view of the parties' responsibilities in connection with the consequences of typhoons and similar events. As of March 14, 2025, the reconciliation with NPC for certain contract years is still ongoing.

Recognition of Deferred Income Tax Assets

Deferred income tax assets are recognized to the extent that it is probable that sufficient future taxable profits will be available against which the assets can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized. This includes the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognized deferred tax assets amounted to ₱2,527.5 million and ₱2,049.3 million as of December 31, 2024 and 2023, respectively (see Note 29). The Group's deductible temporary differences pertaining to carryforward benefits of unused NOLCO, the fair value loss related to the investment in BGI's preferred shares and provision for asset impairment related to investments in Peru, Chile and ULGEI for which no deferred income tax asset was recognized as of December 31, 2024 and 2023 are disclosed in Note 29.

4. Summary of Material Accounting Policy Information

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31, 2024, 2023 and 2022.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investees and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.



Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a 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 Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Parent Company ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the NCI, even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any NCI in the acquiree. For each business combination, the Group elects whether to measure the NCI of the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in "General and Administrative Expenses" in the consolidated statement of income.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.



Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9, *Financial Instruments*, is measured at fair value with changes in fair value recognized either in profit or loss in accordance with PFRS 9. Other contingent consideration that is not within the scope of PFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining joint control is similar to those necessary to determine control over subsidiaries. The Group's investment in joint venture is accounted for using the equity method (see Note 3).

Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of income reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the joint venture is eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the consolidated statement of income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.



The financial statements of the joint venture is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment on joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognizes the loss within profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period; or
- The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Foreign Currencies

The Group's consolidated financial statements are presented in Philippine Peso, which is also the Parent Company's functional currency. Each entity within the Group determines its own functional currency and measures items included in their financial statements using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities in the respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.



Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange prevailing at financial reporting date. All differences are taken to the profit or loss as part of “Foreign exchange gains (losses)” account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

The functional currency of the Group’s subsidiaries is Philippine Peso, except for the following subsidiaries:

Subsidiary	Functional Currency
EDC Burgos Wind Power Corporation	US dollar
EDC EHIL	- do -
EDC HKL	- do -
EDC HKIIL	- do -
EDC Soluciones Sostenibles Ltd	- do -
EDC Desarrollo Sostenible Ltd	- do -
Energy Development Corporation (EDC) Chile Holdings SPA	Chilean peso
EDC Geotermica Chile	- do -
EDC Chile Limitada	- do -
EDC Peru Holdings S.A.C.	Peruvian nuevo sol
EDC Geotermica S.A.C.	- do -
Geotermica Chocopata Peru S.A.C.	- do -
Energy Development Corporation Peru S.A.C.	- do -
Geotermia Andina S.A.C	- do -
EDC Geotermica Del Sur S.A.C.	- do -
EDC Energía Azul S.A.C.	- do -
Geotermica Crucero Peru S.A.C.	- do -
EDC Energía Perú S.A.C.	- do -
Geotermica Tutupaca Norte Peru S.A.C.	- do -
EDC Energía Geotermica S.A.C.	- do -
EDC Progreso Geotermico Perú S.A.C.	- do -
Geotermica Loriscota Peru S.A.C.	- do -
EDC Energía Renovable Perú S.A.C.	- do -
Geotermica Pinchollo Libre Peru S.A.C.	- do -
EDC Energia Verde Peru SAC	- do -
PT EDC Indonesia	Indonesian rupiah
PT EDC Panas Bumi Indonesia	- do -



Translation

On consolidation, for subsidiaries whose functional currency is different from the presentation currency, the Group translates the results of their operations and financial position into the presentation currency. As at the financial reporting date, the assets and liabilities presented (including comparatives) are translated into the presentation currency at the closing rate of exchange prevailing at the financial reporting date while the capital stock and other equity balances are translated at historical rates of exchange. The income and expenses for the profit or loss presented (including comparatives) are translated at the exchange rates at the dates of the transactions, where determinable, or at the weighted average rate of exchange during the reporting period. The exchange differences arising on the translation to the presentation currency are recognized as a separate component of equity under the “Cumulative translation adjustments” account in the consolidated statement of financial position.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amount of assets and liabilities arising on the acquisition date are treated as assets and liabilities of the foreign operation and translated at the closing rate of exchange of financial reporting date.

Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and in banks, and short-term deposits with original maturities of three (3) months or less from dates of acquisition and that are subject to insignificant risk of changes in value. Money market securities with maturity of more than three (3) months but less than 12 months are presented as “Short-term investments” under “Other Current Assets”.

Parts and Supplies Inventories

Parts and supplies inventories are valued at the lower of cost and net realizable value. Cost includes the invoice amount, net of trade and cash discounts. Cost is calculated using the moving average method. Net realizable value represents the current replacement cost.

Prepaid Expenses

Prepayments are expenses paid in advance and recorded as asset before these are utilized. This account comprises prepaid expenses, creditable withholding taxes, tax credit certificates and advances to contractors. The prepaid expenses are apportioned over the period covered by the payment and charged to the appropriate accounts in the profit or loss when incurred; creditable withholding taxes are deducted from income tax payable on the same year the revenue was recognized; and the advances to contractors are reclassified to the proper asset or expense account and deducted from the contractor’s billings as specified on the provision of the contract.

Property, Plant and Equipment

Property, plant and equipment, except land, is stated at cost less accumulated depreciation, amortization and impairment in value, if any. The initial cost of property, plant and equipment consist of the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and other costs directly attributable to bringing the assets to its working condition and location for its intended use. Cost also includes the cost of replacing part of the property, plant and equipment, and the borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives, depreciation and amortization. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognized in the profit or loss as incurred. Property, plant and equipment also include the estimated rehabilitation and



restoration costs of the Group's steam fields and power plants contract areas for which the Group is legally and constructively liable. These costs are included under "Fluid Collection and Recycling System (FCRS) and Production Wells" and "Power Plants" (see Notes 12 and 18).

Land is carried at cost less accumulated impairment losses, if any.

The income generated wholly and necessarily as a result of the process of bringing the asset into the location and condition for its intended use (i.e., net proceeds from selling any items produced while testing whether the asset is functioning properly) is recognized in profit or loss.

Depreciation and amortization are calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of years
Power plants	10-35
FCRS and production wells	10-25
Buildings, improvements and other structures	5-35
Exploration, machinery and equipment	10-20
Transportation equipment	5-10
Furniture, fixtures and equipment	3-10
Laboratory equipment	5-15

Depreciation and amortization of an item of property, plant and equipment begin when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation and amortization cease at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized. Leasehold improvements are amortized over the lease term or the economic life of the related asset, whichever is shorter.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

An item of property, plant and equipment, and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

The useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted, prospectively, if appropriate.

Construction in progress represents structures under construction and is stated at cost, net of accumulated impairment losses, if any. This includes costs of construction and other direct costs. Costs also include interest on borrowed funds and amortization of deferred financing costs on these borrowed funds incurred during the construction period. Construction in progress is not depreciated until such time that the assets are put into operational use.

Liquidated damages received arising from breach of contract are deducted from the cost of the asset unless these can be directly linked to the amount of lost revenue. Liquidated damages are recognized only when receipt is virtually certain.



The Group's policy is to classify right-of-use (ROU) assets as part of property, plant and equipment. The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The initial cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term of 1.3 to 8.2 years as of December 31, 2024 and 2023. ROU assets are subject to impairment (refer to Impairment of Non-Financial Assets policy).

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Internally-generated intangible assets, if any, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds, if any, and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Water Rights

The cost of water rights of FG Hydro is measured on initial recognition at cost.

Following initial recognition of the water rights, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses, if any. Water rights are amortized using the straight-line method over 25 years, which is the term of the agreement with the National Irrigation Administration (NIA).



Computer Software and Licenses

The costs of acquisition of computer software and licenses are capitalized as intangible asset if such costs are not integral part of the related hardware.

These intangible assets are initially measured at cost. Subsequently, these are measured at cost less accumulated amortization and allowance for impairment losses, if any. Amortization of computer software is computed using the straight-line method over its estimated useful life of five (5) years.

Exploration and Evaluation Assets

The Group follows the full cost method of accounting for its exploration costs determined on the basis of each service contract area. Under this method, all exploration costs relating to each service contract are accumulated and deferred under the “Exploration and evaluation assets” account in the consolidated statement of financial position pending the determination of whether the wells have proved reserves. Capitalized expenditures include costs of license acquisition, technical services and studies, exploration drilling and testing, and appropriate technical and administrative expenses. General overhead or costs incurred prior to having obtained the legal rights to explore an area are recognized as expense in profit or loss when incurred. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalized as exploration and evaluation assets until the drilling of the well is complete and the results have been evaluated. Capitalized exploration and evaluation expenditures are considered to be intangible assets until the commencement of drilling of exploratory wells.

If tests conducted on the drilled exploratory wells reveal that these wells cannot produce proved reserves, the capitalized costs are charged to expense except when management decides to use the unproductive wells, for recycling or waste disposal.

Once the technical feasibility and commercial viability of the project to produce proved reserves are established, the exploration and evaluation assets are reclassified to property, plant and equipment.

Exploration and evaluation assets also include the estimated rehabilitation and restoration costs of the Group that are incurred as a consequence of having undertaken the exploration for and evaluation of geothermal resources.

Impairment of Non-financial Assets

For non-financial assets such as property, plant and equipment, intangible assets, exploration and evaluation assets, and prepaid taxes for refund/tax credits, the Group assesses at each financial reporting date whether there is an indication that a non-financial asset may be impaired. If any such indication exists, the Group estimates the asset’s recoverable amount.

The recoverable amount is the higher of an asset’s or CGU’s fair value less costs to sell and its VIU and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In determining VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognized in profit or loss in the expense categories consistent with the function of the impaired asset.



For non-financial assets excluding goodwill, an assessment is made at each financial reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGU or group of CGUs to which the goodwill relates. When the recoverable amount of the CGU or group of CGUs is less than the carrying amount of the CGU or group of CGUs to which goodwill has been allocated, an impairment loss is recognized immediately in profit or loss. Impairment loss relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

Financial instruments on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial reporting date.

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under PFRS 15 (refer to Revenue Recognition policy).

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.



Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

Purposes of subsequent measurement, financial assets are classified in four (4) categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

Financial Assets at Amortized Cost (Debt Instruments)

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables, short-term investments, due from related parties and long-term receivables.

Financial Assets at FVOCI (Debt Instruments)

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group's debt instruments at FVOCI include government securities, government bonds and notes and corporate bonds.

Financial Assets Designated at FVOCI (Equity Instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its quoted equity investments under this category.

Financial Assets at FVPL

Financial assets at FVPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of income.



This category includes derivative instruments, financial assets at FVPL and unquoted equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognized as other income in the consolidated statement of income when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

Disclosures for significant assumptions	Note 3
Debt instruments at fair value through OCI	Note 9
Trade receivables	Note 7

The Group recognizes an allowance for ECLs for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two (2) stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).



For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For cash and cash equivalents, the Group applies the low credit risk simplification. The investments are considered to be low credit risk investments as the counterparties have investment grade ratings. It is the Group's policy to measure ECLs on such instruments on a 12-month basis based on available probabilities of defaults and loss given defaults. The Group uses the ratings published by a reputable rating agency to determine if the counterparty has investment grade rating. If there are no available ratings, the Group determines the ratings by reference to a comparable bank.

For debt instruments at FVOCI, the Group also applies the low credit risk simplification. The Group's debt instruments at FVOCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by credit rating agencies such as Moody's Corporation (Moody's) and/or Standard & Poor's Financial Services LLC (S&P), and, therefore, are considered to be low credit risk investments.

For all debt financial assets other than trade receivables, ECLs are recognized using general approach wherein the Group tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECLs at each reporting date.

Loss allowances are recognized based on 12-month ECL for debt investment securities that are assessed to have low credit risk at the reporting date. A financial asset is considered to have low credit risk if:

- the financial instrument has a low risk of default
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Write-offs

A financial asset together with the associated allowance is written off either partially or in their entirety when there is no realistic prospect of future recovery.



Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

The Group's financial liabilities which include trade and other payables, due to related parties, lease liability and long-term debts are classified as loans and borrowings.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of income.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at FVPL.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of income.

This category is applied for those issued financial liabilities or their components where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares, which are not designated as financial liabilities at FVPL.



Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position, if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Fair Value of Financial Instruments

The Group measures financial instruments, such as derivatives, financial assets at FVPL, and financial assets at FVOCI, at fair value at each reporting date.

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



Derivative Financial Instruments and Hedge Accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments such as cross-currency swaps, interest rate swaps and forwards to manage its interest rate and foreign currency risk exposures in its US dollar-denominated loans. Accrual of interest on the received and pay legs of the interest rate swaps are recorded as adjustments to the interest expense on the related foreign currency-denominated loans. Accrual of interest on the pay legs of the various currency swaps are recognized in the consolidated statement of income as “Interest expense”.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

For the purpose of hedge accounting, derivatives can be designated as cash flow hedges or fair value hedges, depending on the type of risk exposure.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair Value Hedges

The change in the fair value of a hedging instrument is recognized in profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the consolidated statement of income as other expense.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.



When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit or loss.

Cash Flow Hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the consolidated statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

In 2024, EDC designated its interest rate swaps as cash flow hedges for its exposure on interest rate risks on portions of its Commercial Debt Facility (Foreign Facility) that is benchmarked against six (6)-month USD Term SOFR (see Notes 17 and 31).

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. The Group assesses whether embedded derivatives are required to be separated from the host contracts when the Group first becomes party to the contract. An embedded derivative is separated from the hybrid or combined contract if all the following conditions are met:

- (a) the economic characteristics and risks of the embedded derivative are not clearly and closely related to the economic characteristics and risks of the host contract;
- (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (c) the hybrid instrument is not recognized at FVPL.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVPL. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that



significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVPL category.

Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Group determines whether a modification to cash flows is significant by considering the extent to which the expected future cash flows associated with the embedded derivative, the host contract or both have changed and whether the change is significant relative to the previously expected cash flows on the contract.

Retirement and Other Post-employment Benefits

The Group maintains funded, non-contributory defined benefits retirement plans. The Group also provides post-employment medical and life insurance benefits which are unfunded.

The Group recognizes the net defined benefit liability or asset which is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods, but are closed directly to retained earnings at the end of every reporting period.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of



the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Termination Benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of an entity's decision to terminate an employee's employment before the normal retirement date for authorized causes under the Labor Code.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Provisions

Provision for Rehabilitation and Restoration Costs

Provision for rehabilitation and restoration costs arose from the Group's obligation under the GRESCs and WESC to restore the existing sites of the Group upon termination of the cooperation period. The nature of these activities includes plugging of drilled wells and restoration of pads and road networks. When the liability is initially recognized, the present value of the estimated costs is capitalized as part of the carrying amount of the related "FCRS and Production Wells" and "Power Plants" under property, plant and equipment, and exploration and evaluation assets. Provision for rehabilitation and restoration costs are provided at the present value of expected costs to settle the obligation using estimated cash flows.

The amount of provision for rehabilitation and restoration costs in the consolidated statement of financial position is increased by the accretion expense recognized in profit or loss using the effective interest method. The periodic unwinding of the discount is recognized in the consolidated statement of income as "Interest expense".

For closed sites or areas, changes to estimated costs are recognized immediately in profit or loss. Decrease in rehabilitation and restoration costs that exceeds the carrying amount of the corresponding rehabilitation asset is recognized immediately in profit or loss.

The estimated future costs of rehabilitation and restoration are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the related asset.

Other Provisions

Provisions are recognized when (i) the Group has a present obligation (legal or constructive) as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of any reimbursement.



If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as "Interest expense" in the consolidated statement of income.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Capital Stock

Capital stock is measured at par value for all shares issued. When the Parent Company issues more than one (1) class of stock, a separate account is maintained for each class of stock and the number of shares issued. Capital stock includes common stock and preferred stock.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" (APIC) account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Parent Company, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are chargeable to the APIC account. If APIC is not sufficient, the excess is charged against the "Equity reserve" account.

Treasury Stock

The Parent Company's own equity instruments that are reacquired (treasury stock) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in APIC.

Retained Earnings

The amount included in retained earnings includes profit or loss attributable to the Group's equity holders and reduced by dividends on capital stock. Dividends on capital stock are recognized as a liability and deducted from equity when they are declared by the Parent Company's Board. Dividends for the year that are approved after the financial reporting date are dealt with as an event after the financial reporting date. The remeasurement gains and losses on retirement benefits are also included in the amount of retained earnings.

Retained earnings may also include the effect of changes in accounting policies as may be required by the standards' transitional provisions.

Portions of the retained earnings are restricted from being declared as dividend such as (1) amount pertaining to the treasury stocks; and (2) remeasurement gains on retirement benefits.

Dividend on Preferred and Common Stocks

The Group may pay dividends in cash or by the issuance of shares of stock. Cash and property dividends are subject to the approval of the Board, while stock dividends are subject to approval by the Board, at least two-thirds of the outstanding capital stock of the shareholders at a shareholders'



meeting called for such purpose, and by the Philippine SEC. The Group may declare dividends only out of its unrestricted retained earnings.

Cash and property dividends on preferred and common shares are recognized as liability and deducted from equity when declared. Stock dividends are treated as transfers from retained earnings to capital stock.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-Use Assets

Refer to Property, Plant and Equipment policy.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term Leases and Leases of Low-value Assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.



Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Electricity

Sale of electricity is consummated whenever the electricity generated by the Group is transmitted through the transmission line designated by the buyer, for a consideration. Revenues from sale of electricity using hydroelectric and geothermal power are based on sales price and are composed of generation fees from spot market sales, PSAs with various customers such as distribution utilities, electric cooperatives and industrial customers, and PPAs with NPC. Revenue from sale of electricity using wind and solar power is based on the applicable FIT rates as approved by the Energy Regulatory Commission (ERC). Revenue from sale of electricity is recognized monthly based on the actual energy delivered.

Meanwhile, revenue from sale of electricity through ancillary services to the NGCP is recognized monthly based on the capacity scheduled and/or dispatched and provided. For RSCs and GEOPSCs, revenue from sale of electricity is composed of generation charge from monthly energy supply with various contestable/GEOP customers and is recognized monthly based on the actual energy delivered. The basic energy charges for each billing period are inclusive of generation charge and retail supply charge.

The Group identified the sale of electricity as its performance obligation since the customer can benefit from it in conjunction with other readily available resources and it is also distinct within the context of the contract. The performance obligation qualifies as a series of distinct services that are substantially the same and have the same pattern of transfer. The Group concluded that the revenue should be recognized overtime since the customers simultaneously receives and consumes the benefits as the Group supplies electricity.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Dividend Income

Revenue is recognized when the Group's right to receive the payment is established.

Interest Income

Interest income is recognized as interest accrues, using the EIR method.



Costs of Sale of Electricity

These include expenses incurred by the departments directly responsible for the generation of revenues from electricity (i.e., Plant Operations, Production, Maintenance, Transmission and Dispatch, Wells Drilling and Maintenance Department) at operating project locations. Costs of sale of electricity also includes cost of replacement power. Costs of sale of electricity are expensed when incurred.

General and Administrative Expenses

General and administrative expenses constitute cost of administering the business and normally include the expenses incurred by the departments in the Head Office (i.e., Management and Services, and Project Location's Administrative Services Department). General and administrative expenses are expensed when incurred.

Income from Insurance Claims

Income from insurance claims are recognized in other income and are recognized only when receipt is virtually certain.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are added to the cost of the assets, until such time that the assets are substantially ready for their intended use or sale, which necessarily take a substantial period of time. Income earned on temporary investment of specific borrowings, pending the expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalization. Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds, as well as exchange differences arising from foreign currency borrowings used to finance the project to the extent that they are regarded as an adjustment to interest costs. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Taxes

Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the financial reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of income.

Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the balance sheet liability method on temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and



- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits and unused tax losses [i.e., net operating loss carry-over (NOLCO)], to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences, and the carryforward benefits of unused tax credits and unused tax losses can be utilized except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and sufficient taxable profits will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each financial reporting date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the financial reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

VAT

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable. When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods and/or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods and/or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

Earnings Per Share (EPS)

Basic EPS is computed by dividing net income for the year attributable to common shareholders of the Parent Company with the weighted average number of common shares outstanding during the year, after giving retroactive effect to any stock dividends or stock splits, if any, declared during the year.



Diluted EPS is computed in the same manner, with the net income for the year attributable to common shareholders of the Parent Company and the weighted average number of common shares outstanding during the year, adjusted for the effect of all dilutive potential common shares.

As of December 31, 2024, 2023 and 2022, the Group does not have any dilutive potential common shares. Hence, diluted EPS is the same as basic EPS.

Operating Segments

The Group's operating businesses are organized and managed separately according to the geographical segments. The Group's identified operating segments are consistent with the segments reported to the Board which is the Group's Chief Operating Decision Maker (CODM). Financial information on the operating segment is presented in Note 5 to the consolidated financial statements.

Events After the Financial Reporting Date

Events after the financial reporting date that provide additional information about the Group's financial position at the financial reporting date (adjusting events) are reflected in the consolidated financial statements. Events after the financial reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements.

Future Changes in Accounting Policies

Pronouncements issued but not yet effective are listed below. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2025

- *PFRS 17, Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.



On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

On February 14, 2025, the FSRSC approved the amendment to PFRS 17 Insurance Contracts that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

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

- Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Annual Improvements to PFRS Accounting Standards—Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.



- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

- Amendments to PFRS 7, *Gain or Loss on Derecognition*

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

- Amendments to PFRS 9

- Lessee Derecognition of Lease Liabilities

The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

- Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to ‘transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*’ with ‘the amount determined by applying PFRS 15’. The term ‘transaction price’ in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

- Amendments to PFRS 10, *Determination of a ‘De Facto Agent’*

The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

- Amendments to PAS 7, *Cost Method*

The amendments to paragraph 37 of PAS 7 replaced the term ‘cost method’ with ‘at cost’, following the prior deletion of the definition of ‘cost method’.

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors’ demand for better information about companies’ financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
 - Disclosure of management-defined performance measures
 - Guidance on aggregation and disaggregation

- PFRS 19, *Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19’s reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities.



Deferred effectivity

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

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

5. Operating Segment Information

The Group's operating segments are determined based on geographical segment, with each segment representing a strategic business location that has similar economic and political conditions, proximity of operations and specific risks associated with operations in a particular area.

The Group's identified reportable segments below are consistent with the segments reported to the Board, which is the CODM of the Group.

- a. Leyte Geothermal Facilities - This segment pertains to Leyte Geothermal Production Field and Power Plants. This includes projects in Tongonan, Mahanagdong, Upper Mahiao, Malitbog, ULGEI and other projects in Leyte Province.
- b. Negros Island Geothermal Facility - This segment refers to Southern Negros Geothermal Production Field and Power Plants. Power plants included in Negros are Palinpinon I, Palinpinon II and Nasulo.
- c. Bacon-Manito Geothermal Facility - This segment relates to Bacon-Manito Geothermal Production Field and Power Plants.
- d. Mt. Apo Geothermal Business Facility - This segment refers to Mt. Apo Geothermal Production Field and Power Plants.
- e. Pantabangan/Masiway - This segment relates to Pantabangan-Masiway hydroelectric complex located in Nueva Ecija Province.
- f. Wind Business Facility - This segment pertains to wind project commercially operating in Northern Luzon.
- g. Solar Business Facility - This segment pertains to solar projects commercially operating in Northern Luzon and Visayas.



- h. Others - This refers to other renewable energy projects including foreign investments and Head Office of the Group.

Management monitors the operating results of the business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Finance costs, finance income, income taxes and other charges and income are managed on a group basis.

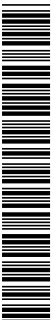
Segment performance is evaluated based on net income for the year and earnings before interest, taxes, and depreciation and amortization (EBITDA). Net income for the year is measured consistent with net income reported in the consolidated financial statements. EBITDA is calculated as revenue from sale of electricity minus costs of sales of electricity and general and administrative expenses, excluding non-cash items such as depreciation and amortization, impairment loss on property, plant and equipment, and loss on disposal of property, plant and equipment, among others.

In 2024, 2023 and 2022, two (2) customers accounted for 8.2% and 3.4%; 7.4% and 2.7%; and 16.9% and 6.2%, respectively, of the total revenue from sale of electricity. Sales to these customers are included in the Leyte, Mt. Apo, Wind and Solar segments.



Financial information on the operating segments are summarized as follows:

Year ended	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan/ Masiway	Wind	Solar	Others	Total
December 31, 2024									
Segment revenue	₱28,469,150,011	₱14,701,053,044	₱13,451,361,926	₱3,237,379,441	₱1,590,981,827	₱2,625,237,665	₱118,994,353	₱-	₱64,194,158,267
Intersegment revenue	(7,904,840,626)	(5,088,296,750)	(5,056,969,283)	-	(9,433,248)	1,404,789,4	-	-	(18,045,492,013)
Total segment revenue	20,564,309,385	9,612,756,294	8,394,392,643	3,237,379,441	1,581,548,579	2,639,285,559	118,994,353	-	46,148,666,254
Segment expenses	(15,749,788,386)	(4,485,541,104)	(6,658,731,964)	(2,312,106,475)	(1,393,627,688)	(1,829,851,144)	(93,210,058)	-	(32,522,856,819)
Unallocated expenses	-	-	-	-	-	-	-	-	(373,295,866)
Interest income	185,288,987	72,013,710	154,005,958	35,845,768	86,923,097	51,893,662	2,633,658	121,347	588,726,187
Interest expense	(1,676,557,532)	(598,379,105)	(438,081,832)	(379,121,974)	(1,311,321)	(558,054,325)	(10,612,716)	10,683,565	(3,651,435,240)
Other income	(8,728,710)	241,023,210	(11,764,643)	2,495,551	51,092,207	(151,479,445)	21,223	(67,875,268)	54,784,125
Benefit from (provision for) income tax	(206,167,024)	(448,657,864)	(98,393,221)	(60,677,914)	(29,443,381)	(95,320,463)	(3,237,706)	(61,424,946)	(1,003,322,519)
Segment result	₱3,108,356,720	₱4,393,215,141	₱1,341,426,941	₱523,814,397	₱295,181,493	₱56,473,844	₱14,588,754	(₱491,791,168)	₱9,241,266,122
EBITDA	₱8,272,655,984	₱6,334,955,964	₱2,416,938,726	₱1,690,690,484	₱503,838,294	₱1,749,548,023	₱71,128,454	₱-	₱21,039,755,929
Unallocated Expenses									(253,610,608)
									₱20,786,145,321
Year ended	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan/ Masiway	Wind	Solar	Others	Total
December 31, 2023									
Segment revenue	₱27,097,217,549	₱15,477,870,670	₱12,560,728,814	₱2,863,661,605	₱2,132,798,804	₱3,456,144,561	₱131,472,971	₱-	₱63,719,894,974
Intersegment revenue	(6,489,763,498)	(4,700,380,049)	(5,322,021,176)	-	(51,742,402)	15,661,946	-	-	(16,548,245,179)
Total segment revenue	20,607,454,051	10,777,490,621	7,238,707,638	2,863,661,605	2,081,056,402	3,471,806,507	131,472,971	-	47,171,649,795
Segment expenses	(11,767,175,126)	(4,438,106,060)	(3,618,871,842)	(2,248,316,504)	(1,893,372,707)	(1,711,784,587)	(73,460,096)	-	(25,751,086,922)
Unallocated expenses	-	-	-	-	-	-	-	-	(3,666,421,931)
Interest income	313,756,721	128,552,969	156,528,221	53,585,235	90,606,402	72,721,179	2,474,208	98,132	818,323,067
Interest expense	(1,403,122,711)	(508,311,175)	(337,850,365)	(325,087,850)	(395,649)	(563,366,500)	(11,376,346)	(30,255,708)	(3,179,766,304)
Other income	699,831,515	1,988,076	(49,241,040)	(3,959,825)	12,053,416	(40,760,818)	(122,243)	(40,169,202)	579,619,879
(charges) - net benefit from (provision for) income tax	(501,632,874)	(671,114,794)	(289,114,033)	4,902,632	(16,043,109)	(166,948,123)	(4,700,528)	63,891,102	(1,580,759,727)
Segment result	₱7,949,111,576	₱5,290,499,637	₱3,100,158,579	₱344,785,293	₱273,904,755	₱1,061,667,658	₱44,287,966	(₱3,672,857,607)	₱14,391,557,857
EBITDA	₱10,994,403,763	₱6,516,377,887	₱3,378,213,130	₱1,188,196,703	₱651,873,899	₱2,702,087,397	₱99,518,162	₱-	₱25,530,670,941
Unallocated Expenses									(292,298,924)
									₱25,238,372,017



Year ended	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan/ Masway	Wind	Solar	Others	Total
December 31, 2022									
Segment revenue	₱24,142,334,227	₱17,379,779,488	₱11,996,353,674	₱2,044,656,193	₱4,061,353,917	₱2,911,576,221	₱135,156,939	₱-	₱62,671,210,659
Intersegment revenue	(3,870,740,749)	(4,668,378,555)	(4,347,027,589)	-	(1,090,110,224)	5,598,865	(199,643)	-	(13,970,857,895)
Total segment revenue	20,271,593,478	12,711,400,933	7,649,326,085	2,044,656,193	2,971,243,693	2,917,175,086	134,957,296	-	48,700,352,764
Segment expenses	(11,636,523,647)	(7,538,914,776)	(6,312,333,983)	(2,186,405,968)	(3,709,894,819)	(1,602,428,883)	(69,397,886)	-	(33,055,899,962)
Unallocated expenses	-	-	-	-	-	-	-	-	65,822,819
Interest income	85,057,208	36,187,374	39,056,819	16,553,085	32,574,024	47,073,290	1,562,268	67,118	258,131,186
Interest expense	(1,114,006,930)	(362,553,129)	(259,845,223)	(291,343,913)	(1,529,608)	(587,999,109)	(12,110,193)	(243,186,630)	(2,872,574,735)
Other income	(366,088,573)	(194,689,807)	(426,124,066)	(17,040,667)	884,242,726	(32,029,255)	31,149	(18,520,422)	(170,218,915)
Benefit from (provision for) income tax	(824,432,171)	(576,718,815)	(212,153,073)	19,540,545	18,967,764	(163,830,993)	(3,500,487)	(50,957,883)	(1,793,085,113)
Segment result	₱6,415,599,365	₱4,074,711,780	₱477,926,559	₱414,040,725	₱195,603,780	₱577,960,136	₱51,542,147	(₱246,774,998)	₱11,132,528,044
EBITDA	₱11,994,301,646	₱6,279,580,393	₱2,166,554,247	₱671,423,564	(₱281,363,488)	₱2,214,010,254	₱109,225,902	₱-	₱23,153,732,518
Unallocated Expenses									72,826,596
									₱23,226,559,114

As of and for the year ended December 31, 2024	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan/ Masway	Wind	Solar	Elimination	Total
Segment assets	₱12,492,636,205	₱45,443,267,352	₱30,056,881,233	₱16,205,725,444	₱4,491,743,501	₱16,719,311,888	₱744,256,855	(₱142,979,718,879)	₱95,607,803,599
Unallocated corporate assets									97,577,207,097
Total assets									₱193,185,010,696
Segment liabilities	₱67,056,396,571	₱28,269,129,977	₱26,402,899,621	₱10,567,846,806	₱173,554,979	₱8,252,542,669	₱494,626,391	(₱98,958,197,294)	₱42,258,799,720
Unallocated corporate liabilities									65,641,443,420
Total liabilities									₱107,900,243,140
Capital expenditure	₱16,084,111,668	₱3,398,199,000	₱5,051,016,687	₱1,838,867,526	₱237,178,569	₱140,728,680	₱1,317,500	₱-	₱26,751,419,630
Unallocated capital expenditure									6,681,439,820
Total capital expenditure									₱33,432,859,450
Depreciation and amortization	₱3,272,100,397	₱1,073,751,827	₱640,708,660	₱745,261,847	₱315,917,403	₱910,139,615	₱43,199,259	₱26,526,212	₱7,027,605,220
Unallocated depreciation and amortization									35,081,600
Total depreciation and amortization									₱7,062,686,820
Other non-cash items	₱186,034,588	₱133,988,947	₱40,569,387	₱20,155,671	₱-	₱29,973,993	₱2,144,900	(₱1,203,336,218)	(₱790,468,733)
Unallocated non-cash items									1,261,413,664
Total non-cash items									₱470,944,932



	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan/ Masiway	Wind	Solar	Elimination	Total
As of and for the									
year ended December 31, 2023									
Segment assets	₱108,832,304,430	₱38,316,416,633	₱13,103,692,051	₱15,231,344,130	₱6,227,585,831	₱17,283,659,306	₱778,479,288	(₱96,313,066,604)	₱103,460,415,065
Unallocated corporate assets									62,792,720,467
Total assets	₱50,532,292,665	₱23,195,696,019	₱9,821,853,668	₱9,987,409,889	₱201,762,048	₱9,019,107,339	₱542,472,632	(₱68,344,173,959)	₱34,956,420,301
Segment liabilities									₱166,253,135,532
Unallocated corporate liabilities									47,923,898,296
Total liabilities									₱82,880,318,597
Capital expenditure	₱5,340,997,547	₱2,174,512,810	₱1,054,242,825	₱426,957,348	₱317,556,429	₱84,925,826	₱-	₱-	₱9,399,192,785
Unallocated capital expenditure									8,721,914,365
Total capital expenditure									₱18,121,107,150
Depreciation and amortization	₱3,206,218,220	₱991,390,641	₱791,026,974	₱758,631,583	₱464,190,204	₱912,223,214	₱43,078,349	₱26,526,212	₱7,193,285,397
Unallocated depreciation and amortization									47,146,665
Total depreciation and amortization									₱7,240,432,062
Other non-cash items	(₱1,052,093,382)	(₱814,397,315)	(₱1,032,649,640)	(₱185,779,981)	₱-	₱29,842,264	(₱1,573,062)	₱3,039,116,202	(₱17,534,914)
Unallocated non-cash items									261,333,928
Total non-cash items									₱243,799,014
As of and for the									
year ended December 31, 2022									
Segment assets	₱97,643,803,252	₱32,602,290,155	₱12,786,135,236	₱13,444,201,565	₱5,939,684,807	₱18,135,248,110	₱828,425,734	(₱67,114,843,838)	₱114,264,945,021
Unallocated corporate assets									35,731,604,741
Total assets	₱47,943,398,008	₱20,813,924,432	₱12,261,065,828	₱8,487,126,719	₱218,288,201	₱10,022,348,059	₱636,700,423	(₱66,266,860,653)	₱149,996,549,762
Segment liabilities									₱34,115,991,017
Unallocated corporate liabilities									40,303,064,669
Total liabilities									₱74,419,055,686
Capital expenditure	₱3,138,700,146	₱1,524,969,436	₱1,239,758,582	₱614,588,746	₱189,123,259	₱13,882,871	₱-	₱-	₱6,721,023,040
Unallocated capital expenditure									3,390,633,027
Total capital expenditure									₱10,111,656,067
Depreciation and amortization	₱2,905,800,776	₱991,614,448	₱757,566,138	₱729,325,843	₱457,287,638	₱865,803,608	₱43,033,588	₱26,526,212	₱6,776,958,251
Unallocated depreciation and amortization									30,138,721
Total depreciation and amortization									₱6,807,096,972
Other non-cash items	₱453,431,039	₱115,479,788	₱71,996,007	₱83,847,496	₱-	₱33,460,443	₱632,900	(₱49,661,152)	₱709,186,521



The following table shows the Group's reconciliation of EBITDA to the consolidated net income for the years ended December 31, 2024, 2023 and 2022:

	2024	2023	2022
EBITDA	₱20,786,145,321	₱25,238,372,017	₱23,226,559,114
Add (deduct):			
Depreciation and amortization (Notes 12, 13, 22 and 23)	(7,062,686,820)	(7,240,432,062)	(6,807,096,972)
Interest expense (Notes 17, 25 and 31)	(3,651,435,240)	(3,179,766,304)	(2,872,574,735)
Provision for income tax (Note 29)	(1,003,322,519)	(1,580,759,727)	(1,793,085,113)
Interest income (Notes 6, 11, 25 and 31)	588,726,187	818,323,067	258,131,186
Provision for impairment of trade and other receivables, prepaid taxes, and others (Notes 7, 15 and 23)	(332,073,222)	(31,220,205)	(688,464,769)
Reversal of (provision for) impairment of parts and supplies inventories (Notes 3, 15 and 10)	(138,871,710)	69,773,870	(20,721,752)
Foreign exchange gains (losses) (Notes 26 and 31)	51,226,629	10,288,475	(43,860,848)
Miscellaneous income (charges) - net (Note 27)	3,557,496	569,331,404	(126,358,067)
Provision for impairment of goodwill, property, plant and equipment, exploration and evaluation, and other various assets (Notes 1, 12, 13, 14, 20 and 27)	—	(282,352,678)	—
Consolidated net income	₱9,241,266,122	₱14,391,557,857	₱11,132,528,044

In the normal course of business, entities within the Group engage in intercompany sale and purchase of steam and electricity. Intersegment revenues are all eliminated in consolidation. Segment information is measured in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Unallocated expenses pertain to expenses of the corporate, technical and administrative support groups, while unallocated corporate assets and liabilities, which include among others certain cash and cash equivalents, property, plant and equipment, parts and supplies inventories, trade and other payables and retirement and post-retirement benefits, pertain to the Head Office and are managed on a group basis. Capital expenditure consist of additions to property, plant and equipment.

Disaggregation of revenues

Set out below is the disaggregation of the Group's revenue from contracts with customers for the years ended December 31, 2024, 2023 and 2022:

Type of contracts	2024	2023	2022
Revenue from PSAs	₱22,980,586,871	₱21,525,878,486	₱15,223,312,520
Revenue from spot market sales	11,606,255,637	14,765,073,275	17,156,936,374
Revenue from RES, GEOP and other customer contracts	7,947,625,558	6,032,868,193	5,087,512,805
Revenue from sales under FIT	2,725,934,342	3,575,334,460	3,019,923,386
Revenue from PPAs	888,263,846	1,272,495,381	8,212,667,679
	₱46,148,666,254	₱47,171,649,795	₱48,700,352,764



Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information for the years ended December 31, 2024, 2023 and 2022:

	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan/ Masiway	Wind	Solar	Total
Year ended December 31, 2024								
Segment revenue	P28,469,150,011	P14,701,053,044	P13,451,361,926	P3,237,379,441	P1,590,981,827	P2,625,237,665	P118,994,353	P64,194,158,267
Intersegment revenue	(7,904,840,626)	(5,088,296,750)	(5,056,969,283)	—	(9,433,248)	14,047,894	—	(18,045,492,013)
Revenue from contracts with customers	P20,564,309,385	P9,612,756,294	P8,394,392,643	P3,237,379,441	P1,581,548,579	P2,639,285,559	P118,994,353	P46,148,666,254
Revenue from PSAs	P12,090,142,717	P7,385,513,402	P2,285,012,026	P615,551,374	P604,367,352	P—	P—	P22,980,586,871
Revenue from spot market sales	5,029,280,177	2,227,242,892	1,780,606,027	1,739,031,638	830,094,903	—	—	11,606,255,637
Revenue from RES, GEOP and other customers	3,444,886,491	—	4,328,774,590	—	147,086,324	—	26,878,153	7,947,625,558
Revenue from sales under FIT	—	—	—	—	—	2,639,285,559	86,648,783	2,725,934,342
Revenue from PPAs	—	—	—	882,796,429	—	—	5,467,417	888,263,846
Revenue from contracts with customers	P20,564,309,385	P9,612,756,294	P8,394,392,643	P3,237,379,441	P1,581,548,579	P2,639,285,559	P118,994,353	P46,148,666,254
Year ended December 31, 2023								
Segment revenue	P27,097,217,549	P15,477,870,670	P12,560,728,814	P2,863,661,605	P2,132,798,804	P3,456,144,561	P131,472,971	P63,719,894,974
Intersegment revenue	(6,489,763,498)	(4,700,380,049)	(5,322,021,176)	—	(51,742,402)	15,661,946	—	(16,548,245,179)
Revenue from contracts with customers	P20,607,454,051	P10,777,490,621	P7,238,707,638	P2,863,661,605	P2,081,056,402	P3,471,806,507	P131,472,971	P47,171,649,795
Revenue from PSAs	P11,127,684,146	P6,755,471,067	P1,891,019,235	P798,089,119	P953,614,919	P—	P—	P21,525,878,486
Revenue from spot market sales	6,757,728,104	4,022,019,554	2,148,727,038	798,644,352	1,037,954,227	—	—	14,765,073,275
Revenue from RES, GEOP and other customers	2,722,041,801	—	3,198,961,365	—	89,487,256	—	22,377,771	6,032,868,193
Revenue from sales under FIT	—	—	—	—	—	3,471,806,507	103,527,953	3,575,334,460
Revenue from PPAs	—	—	—	1,266,928,134	—	—	5,567,247	1,272,495,381
Revenue from contracts with customers	P20,607,454,051	P10,777,490,621	P7,238,707,638	P2,863,661,605	P2,081,056,402	P3,471,806,507	P131,472,971	P47,171,649,795
Year ended December 31, 2022								
Segment revenue	P24,142,334,227	P17,379,779,488	P11,996,353,674	P2,044,656,193	P4,061,353,917	P2,911,576,221	P135,156,939	P62,671,210,659
Intersegment revenue	(3,870,740,749)	(4,668,378,555)	(4,347,027,589)	—	(1,090,110,224)	5,598,865	(199,643)	(13,970,857,895)
Revenue from contracts with customers	P20,271,593,478	P12,711,400,933	P7,649,326,085	P2,044,656,193	P2,971,243,693	P2,917,175,086	P134,957,296	P48,700,352,764
Revenue from spot market sales	P7,513,313,626	P6,602,906,874	P2,506,081,498	P—	P534,634,376	P—	P—	P17,156,936,374
Revenue from PSAs	4,246,634,249	5,986,179,046	2,283,423,005	484,111,154	2,222,965,066	—	—	15,223,312,520
Revenue from PPAs	6,643,910,332	—	—	1,560,545,039	—	—	8,212,308	8,212,667,679
Revenue from RES, GEOP and other customers	1,867,735,271	122,315,013	2,859,821,582	—	213,644,251	—	23,996,688	5,087,512,805
Revenue from sales under FIT	—	—	—	—	—	2,917,175,086	102,748,300	3,019,923,386
Revenue from contracts with customers	P20,271,593,478	P12,711,400,933	P7,649,326,085	P2,044,656,193	P2,971,243,693	P2,917,175,086	P134,957,296	P48,700,352,764

6. Cash and Cash Equivalents

	2024	2023
Cash on hand and in banks	P6,624,700,847	P5,727,422,112
Cash equivalents	6,954,738,374	11,693,590,523
	P13,579,439,221	P17,421,012,635



Cash in banks earn interest at the respective bank deposit rates ranging from 0.10% to 1.50%, 0.10% to 2.15%, and 0.10% to 1.50% for the years ended December 31, 2024, 2023 and 2022, respectively. Cash equivalents consist of money market placements, which are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group. Total interest earned on cash and cash equivalents, net of final tax, amounted to ₱544.2 million, ₱701.6 million and ₱198.1 million in 2024, 2023 and 2022, respectively (see Note 25).

7. Trade and Other Receivables

	2024	2023
Trade receivables:		
Third parties (Note 37)	₱7,182,645,667	₱6,781,407,276
Related parties (Note 20)	113,692,907	156,885,772
	7,296,338,574	6,938,293,048
Others:		
Non-trade accounts receivable (Note 32)	879,954,921	974,796,042
Advances to employees	39,159,659	51,985,748
Loans and notes receivables	45,270,720	45,345,974
	964,385,300	1,072,127,764
	8,260,723,874	8,010,420,812
Less allowance for impairment	1,194,416,225	1,123,860,554
	₱7,066,307,649	₱6,886,560,258

Trade receivables are non interest-bearing and are generally collectible in 30 to 60 days. Non-trade receivables are non interest-bearing and include receivable from insurance claims, accrued interest and other receivables.

As of December 31, 2024 and 2023, the Group has tax credit certificates (TCCs) totaling to ₱17.4 million presented under “Non-trade accounts receivable”. These are expected to be monetized or utilized for payment of various taxes within 12 months from the end of the reporting date.

The table below shows the rollforward analysis of the allowance for impairment of trade and other receivables as of December 31, 2024 and 2023:

	2024	2023
Balances at beginning of year	₱1,123,860,554	₱1,060,107,377
Provision for impairment (Notes 3 and 23)	70,596,547	64,955,446
Recoveries	(708,711)	(1,377,538)
Foreign exchange translation adjustment	667,835	175,269
Balances at end of year	₱1,194,416,225	₱1,123,860,554



8. Financial Assets at Fair Value Through Profit or Loss

The Group entered into various investment management agreement (IMA) with various Investment Managers, whereby the Group availed the service of the Investment Manager relative to the management and investment of funds.

Among others, following are the significant provisions of the IMA:

- The Investment Manager shall administer and manage the fund as allowed and subject to the requirements of the Bangko Sentral ng Pilipinas and in accordance with the written investment policy and guidelines mutually agreed upon and signed by the Investment Manager and the Group.
- The agreement is considered as an agency and not a trust agreement. The Group, therefore, shall at all times retain legal title to the fund.
- The IMA does not guarantee a yield, return, or income on the investments or reinvestments made by the Investment Manager. Any loss or depreciation in the value of the assets of the fund shall be for the account of the Group.

In addition, the Group has investments in various money unit investment trust fund and mutual funds.

Fund investments include quoted government securities and other quoted securities.

The Group accounts for the entire investment as a financial asset to be carried at fair value through profit or loss.

As of December 31, 2024 and 2023, the movements of the financial assets at FVPL account are as follows:

	2024	2023
Balances at beginning of year	P17,745,812	P12,728,592
Additions for the year	51,160,145	54,000,000
Redemptions for the year	(5,776,005)	(50,000,000)
Mark-to-market gain (Note 27)	2,207,790	1,018,757
Realized income (loss) from redemption (Note 27)	144,472	(1,537)
Balances at end of year	P65,482,214	P17,745,812

9. Financial Assets at Fair Value Through Other Comprehensive Income

As at December 31, 2024 and 2023, the movements in the financial assets at FVOCI are as follows:

	2024	2023
Balances at beginning of year	P288,985,082	P295,027,377
Additions during the year	102,000,000	—
Disposals during the year	(102,000,000)	(37,000,000)
Changes in fair value of equity instruments	11,980,259	19,050,270
Changes in fair value of debt instruments	244,930	11,907,435
Balances at end of year	P301,210,271	P288,985,082



Financial assets at FVOCI consists of the following as of December 31, 2024 and 2023:

	2024	2023
Equity instruments designated at FVOCI		
<i>Quoted equity instruments</i>		
Wack Wack Golf & Country Club	₱85,000,000	₱75,000,000
Alabang Country Club	16,000,000	14,000,000
Baguio Country Club	6,000,000	6,000,000
Others	6,792,831	6,812,572
	113,792,831	101,812,572
Debt instruments at FVOCI		
<i>Quoted debt instruments</i>		
Government bonds and notes	187,417,440	187,172,510
Total	₱301,210,271	₱288,985,082

The movements of the net accumulated unrealized gain related to financial assets at FVOCI in 2024 and 2023 are presented in the consolidated statements of comprehensive income with details as follows:

	2024	2023
Balances at beginning of year	₱100,286,395	₱70,143,690
Changes in fair value of equity instruments at FVOCI	11,980,259	19,050,270
Changes in fair value of debt instruments at FVOCI	244,930	11,907,435
Transfer of net accumulated unrealized gain on financial assets at FVOCI to retained earnings	(3,143,242)	(815,000)
Balances at end of year	₱109,368,342	₱100,286,395

Investments in quoted equity securities consist mainly of golf and country club shares and investments in shares traded in the PSE.

Quoted government debt securities consist of investments in fixed rate bonds, fixed rate treasury notes and retail treasury bonds with maturities between 2024 and 2037 as of December 31, 2024 and 2023, and interest rates ranging from 5.8% to 6.3% and 2.4% to 6.1%, respectively (see Note 25).

Changes in fair value recognized in the consolidated statements of comprehensive income pertain to the unrealized gains and losses during the period brought about by the temporary increase or decrease in the fair value of the debt and equity securities.

10. Parts and Supplies Inventories

	2024	2023
Parts and supplies inventories:		
At Cost	₱9,402,393,089	₱6,919,246,902
At NRV	3,307,025,429	1,572,704,166
	₱12,709,418,518	₱8,491,951,068



Allowance for inventory obsolescence:

	2024	2023
Balances at beginning of year	₱548,948,904	₱618,722,774
Provision for (reversal of) impairment (Note 23)	138,871,710	(69,773,870)
Balances at end of year	₱687,820,614	₱548,948,904

Parts and supplies inventories include items that are carried at net realizable value amounting to ₱3,307.0 million and ₱1,572.7 million as of December 31, 2024 and 2023, respectively, and have costs amounting to ₱3,994.8 million and ₱2,121.6 million, respectively. The rest of the parts and supplies inventories are carried at cost.

The amount of parts and supplies inventories charged to expense amounted to ₱1,261.5 million, ₱1,532.1 million and ₱1,352.3 million in 2024, 2023 and 2022, respectively (see Notes 22 and 23).

Details of parts and supplies inventories issued are as follows:

	2024	2023	2022
Costs of sale of electricity (Note 22)	₱1,136,360,506	₱1,424,654,890	₱1,165,835,154
General and administrative expenses (Note 23)	125,156,555	107,402,928	186,427,229
	₱1,261,517,061	₱1,532,057,818	₱1,352,262,383

11. Other Current Assets

	2024	2023
Creditable withholding taxes	₱952,552,821	₱837,167,700
Prepaid expenses	732,353,254	1,244,244,132
Deposits and special funds	476,642,394	300,757,961
Advances to suppliers	409,449,970	203,235,922
Short-term investments	200,000,000	3,360,111,078
Others	209,910,439	196,323,392
	₱2,980,908,878	₱6,141,840,185

Prepaid expenses include prepaid insurance and rentals while advances to suppliers pertains mainly to the advances made by the Group for the purchase of parts and supplies, and other goods and services.

Deposits and special funds include deposits to distribution utilities as required under the Distribution Wheeling Service Agreements (DWSAs) and cash held in escrow accounts of the Group as required under the retail supply contracts (RSCs) and GEOP supply contracts.

Short-term investments consist of money market securities with maturity of more than three (3) months but less than 12 months. Total interest earned on short-term investments, net of final tax, amounted to ₱11.2 million, ₱73.7 million and ₱2.5 million in 2024, 2023 and 2022, respectively (see Note 25).



12. Property, Plant and Equipment

2024												
Right of Use of Assets – Rigs, Buildings, Improvements and Other Structures												
Construction in Progress												
Total												
Cost												
Land	Power Plants	Production Wells	Buildings, Improvements and Other Structures	Exploration, Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Equipment	Laboratory Equipment					
Balances at January 1	P924,376,722	P81,792,942,402	P62,159,253,249	P9,395,220,817	P3,706,527,124	P193,653,477	P1,847,771,686	P1,090,950,911	P781,128,980	P29,665,109,520	P191,556,934,888	
Additions	43,065,547	23,221,319	8,142,761	7,422,542	220,330,268	12,848,383	117,447,053	119,014,123	4,773,702,911	28,107,664,543	33,432,859,450	
Disposals/retirements (Note 27)	-	(497,382,748)	-	(1,980,163)	(120,241,228)	(6,814,814)	(6,973,081)	(10,697,974)	(613,229)	-	(644,703,237)	
Reclassifications/adjustments (Note 18)	-	3,613,866,401	6,754,081,729	1,100,655,353	104,579,830	75,675,585	31,388,913	31,388,913	89,404,246	(11,412,574,714)	355,804,246	
Foreign exchange adjustments	-	772,192,477	-	59,903,503	204,015	-	205,157	149,876	7,999,366	3,544,397	844,198,791	
Balances at December 31	967,442,269	85,704,839,851	68,921,477,739	10,561,222,052	3,911,400,009	198,413,746	2,034,126,400	1,230,805,849	5,651,622,477	46,363,743,746	225,545,094,138	
Accumulated Depreciation, Amortization and Impairment												
Balances at January 1	17,627,581	45,234,376,916	23,480,026,567	4,800,721,596	3,073,085,096	103,933,286	1,601,002,372	821,205,572	415,750,374	141,863,226	79,689,592,586	
Depreciation and amortization (Notes 22 and 23)	-	3,754,427,200	2,229,472,390	443,551,650	113,177,491	25,993,792	146,068,548	94,580,008	482,688,817	-	7,289,959,896	
Disposals/retirements (Note 27)	-	(202,352,475)	-	(1,915,558)	(116,661,097)	(3,363,123)	(6,933,040)	(10,094,564)	(613,228)	-	(341,933,085)	
Reclassifications	-	(1,173,563)	35,322	1,550,151	10,614,403	(1,273,300)	-	-	(417,246)	-	9,335,767	
Foreign exchange adjustments	-	284,563,107	-	32,397,972	(796,544)	-	(219,163)	74,200	3,001,830	5,123,593	324,150,995	
Balances at December 31	17,627,581	49,069,841,185	25,709,534,279	5,276,305,811	3,079,425,349	125,290,655	1,739,918,717	905,765,216	900,410,547	146,986,819	86,971,106,459	
Net Book Value	P949,814,688	P36,634,998,666	P43,211,943,460	P5,284,916,241	P831,974,660	P73,123,091	P294,207,683	P325,040,633	P4,751,211,930	P46,216,756,927	P138,573,987,979	

2023

Right of Use of Assets – Buildings, Improvements and Other Structures												
Construction in Progress												
Total												
Cost												
Land	Power Plants	Production Wells	Buildings, Improvements and Other Structures	Exploration, Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Equipment	Laboratory Equipment					
Balances at January 1	P881,311,175	P80,698,073,760	P58,067,215,102	P9,056,798,123	P3,598,942,574	P166,859,435	P1,646,987,358	P896,774,039	P749,782,809	P17,840,990,917	P713,603,735,292	
Additions	43,065,547	22,765,701	-	6,116,627	94,711,812	41,388,378	167,108,863	198,269,604	29,340,646	17,518,339,972	18,121,107,150	
Disposals/retirements (Note 27)	-	(36,993,692)	-	(13,048,599)	(32,440,084)	(14,594,336)	(31,803,827)	(164,547)	-	-	(129,045,085)	
Reclassifications/adjustments (Note 18)	-	1,251,296,316	4,092,038,147	353,752,858	43,526,952	(1,128,686)	65,201,943	(3,907,579)	3,134,211	(5,697,477,873)	107,564,975	
Foreign exchange adjustments	-	(142,199,683)	-	(8,398,192)	1,783,870	-	277,349	(20,606)	(1,128,686)	3,256,504	(146,427,444)	
Balances at December 31	924,376,722	81,792,942,402	62,159,253,249	9,395,220,817	3,706,527,124	193,653,477	1,847,771,686	1,090,950,911	781,128,980	29,665,109,520	191,556,934,888	
Accumulated Depreciation, Amortization and Impairment												
Balances at January 1	17,627,581	41,238,852,995	21,411,687,783	4,325,075,887	2,974,121,088	93,558,888	1,543,722,726	746,834,663	299,989,683	23,322,433	72,674,793,727	
Depreciation and amortization (Notes 22 and 23)	-	4,096,876,588	2,068,338,784	480,637,573	117,451,006	22,311,724	88,408,535	74,524,025	116,725,245	-	7,065,273,480	
Disposals/retirements (Note 27)	-	(36,993,687)	-	(9,752,599)	(23,387,304)	(11,937,326)	(30,446,756)	(142,146)	-	-	(119,059,818)	
Impairment (Notes 1 and 23)	-	-	-	-	666,085	-	-	-	-	116,918,361	117,584,446	
Reclassifications	-	(8,052,542)	-	8,050,516	9,532,270	-	2,026	-	-	-	9,532,270	
Foreign exchange adjustments	-	(56,306,438)	-	(3,289,781)	701,951	-	(284,159)	(10,970)	(964,554)	1,622,432	(58,531,519)	
Balances at December 31	17,627,581	45,234,376,916	23,480,026,567	4,800,721,596	3,073,085,096	103,933,286	1,601,002,372	821,205,572	415,750,374	141,863,226	79,689,592,586	
Net Book Value	P906,749,141	P36,558,565,486	P38,679,226,682	P4,594,499,221	P633,442,028	P89,720,191	P246,769,314	P269,743,339	P365,378,606	P29,523,246,294	P111,867,342,302	



Construction in Progress

The Group's construction in progress account includes steam assets and other ongoing construction projects. Steam assets are mainly composed of in-progress production wells and FCRS, while other construction projects include the Palayan Bayan, Tanawon, Mahanagdong, Northern Negros, various battery energy storage systems and ongoing rehabilitation activities in the plants, Control Systems Integration (CSI), retrofitting projects and other constructions. Capitalized borrowing costs on loans amounted to ₱138.2 million, ₱65.8 million and ₱94.3 million in 2024, 2023, and 2022, respectively. Capitalized interest expense on lease liabilities amounted to ₱141.8 million in 2024, no similar transaction in 2023 and 2022 (see Note 32).

Estimated Rehabilitation and Restoration Costs

FCRS and production wells include the estimated rehabilitation and restoration costs of the Group's steam fields and power plants' contract areas at the end of the contract period. These were based on technical estimates of probable costs, which may be incurred by the Group in the rehabilitation and restoration of the said steam fields' and power plants' contract areas, using a risk-free discount rate and adjusted the cash flows to settle the provision.

Also, the Group has recorded an estimated provision for asset retirement obligation relating to the removal and disposal of all wind farm materials, equipment and facilities from the contract areas at the end of contract period. The amount of provision was recorded as part of the costs of power plants.

Depreciation and Amortization

Details of depreciation and amortization charges recognized in profit or loss are shown below:

	2024	2023	2022
Property, plant and equipment	₱7,289,959,896	₱7,065,273,480	₱6,620,263,710
Intangible assets (Note 13)	129,700,913	188,476,101	215,625,197
Capitalized depreciation	(356,973,989)	(13,317,519)	(28,791,935)
	₱7,062,686,820	₱7,240,432,062	₱6,807,096,972
Costs of sale of electricity (Note 22)	₱6,715,164,625	₱6,893,684,580	₱6,482,788,430
General and administrative expenses (Note 23)	347,522,195	346,747,482	324,308,542
	₱7,062,686,820	₱7,240,432,062	₱6,807,096,972

Depreciation and amortization of right-of-use assets include depreciation expense for rigs amounting to ₱359.8 million in 2024 and nil in 2023 and 2022, and for buildings, improvements and other structures amounting to ₱122.9 million, ₱116.7 million and ₱119.0 million in 2024, 2023, and 2022, respectively.

Additions

Additions to property, plant and equipment include non-cash right-of-use assets - buildings, improvements and other structures additions amounting to ₱4,773.7 million and ₱29.3 million in 2024 and 2023, respectively.

Reclassifications/adjustments

The reclassifications/adjustments in the cost of property, plant and equipment include adjustments to the provision for rehabilitation and restoration costs amounting to ₱29.5 million, ₱121.0 million and (₱144.8 million) in 2024, 2023 and 2022, respectively (see Note 18). Meanwhile, the reclassifications in the cost of property, plant and equipment include capitalized depreciation charges



amounting to ₱357.0 million, ₱13.3 million and ₱28.8 million in 2024, 2023 and 2022, respectively. Other reclassifications were due to the results of reassessment made by the Group on the nature of the assets.

13. Goodwill and Intangible Assets

	2024			
	Goodwill	Water Rights	Other Intangible Assets	Total
Cost				
Balances at January 1	₱2,676,889,008	₱2,404,778,918	₱819,978,111	₱5,901,646,037
Additions	—	—	38,040,652	38,040,652
Foreign exchange translation adjustment	—	—	—	—
Balances at December 31	2,676,889,008	2,404,778,918	858,018,763	5,939,686,689
Accumulated Amortization and Allowance for Impairment				
Balances at January 1	141,837,475	1,647,273,561	687,671,041	2,476,782,077
Amortization (Notes 12, 22 and 23)	—	96,191,157	33,509,756	129,700,913
Impairment/adjustments (Notes 1 and 23)	—	—	810,899	810,899
Balances at December 31	141,837,475	1,743,464,718	721,991,696	2,607,293,889
Net Book Value	₱2,535,051,533	₱661,314,200	₱136,027,067	₱3,332,392,800

	2023			
	Goodwill	Water Rights	Other Intangible Assets	Total
Cost				
Balances at January 1	₱2,679,045,019	₱2,404,778,918	₱749,359,167	₱5,833,183,104
Additions	—	—	70,618,944	70,618,944
Foreign exchange translation adjustment	(2,156,011)	—	—	(2,156,011)
Balances at December 31	2,676,889,008	2,404,778,918	819,978,111	5,901,646,037
Accumulated Amortization and Allowance for Impairment				
Balances at January 1	55,999,570	1,551,082,404	593,986,098	2,201,068,072
Amortization (Notes 12, 22 and 23)	—	96,191,157	92,284,944	188,476,101
Impairment/adjustments (Notes 1 and 23)	85,837,905	—	1,399,999	87,237,904
Balances at December 31	141,837,475	1,647,273,561	687,671,041	2,476,782,077
Net Book Value	₱2,535,051,533	₱757,505,357	₱132,307,070	₱3,424,863,960

Goodwill

GCGI

On September 2, 2009, GCGI acquired the 192.5 MW Palinpinon (in Negros Oriental) and 112.5 MW Tongonan 1 (in Leyte) geothermal power plants in an auction conducted by PSALM where GCGI submitted the highest complying financial bid of US\$220.0 million. This financial bid was subsequently reduced by US\$6.7 million as PSALM agreed that the Group will directly assume the obligations to procure the equipment/services indicated in the Purchase Requisitions being processed by NPC under Schedule R-Purchase Orders in the Asset Purchase Agreement (APA). The total acquisition cost incurred by the Group amounted to ₱10,165.3 million, resulting to goodwill of ₱2,241.7 million.



FG Hydro

On September 8, 2006, FG Hydro participated and won the bid for the 112 MW PAHEP/MAHEP facility conducted by PSALM in connection with the privatization of NPC assets. FG Hydro paid a total consideration of US\$129.0 million (₱6,448.2 million) and recognized goodwill amounting to ₱293.3 million.

EDC HKL

As discussed in Note 3, EDC HKL, a wholly owned subsidiary of EDC, purchased 100% interest in Hot Rock companies, namely: EDC Soluciones Sostenibles Ltd, EDC Desarrollo Sostenible Ltd, EDC Energia Verde Chile SpA, EDC Energia de la Tierra SpA and EDC Energia Verde Peru SAC. The total consideration amounting to US\$3.0 million (₱133.2 million) was paid in cash, which resulted to the recognition of goodwill amounting to US\$2.5 million (₱134.0 million).

In 2020, the Group recognized impairment loss on the goodwill related to the acquisition of Hot Rock companies amounting to ₱54.2 million. In 2023, the Group recognized impairment loss on the remaining carrying value of the goodwill as a result of the Group's decision to no longer pursue exploration and development activities in Peru due to political and market factors.

Breakdown of the goodwill per CGU and the details of the goodwill impairment review are shown in Note 3 to the consolidated financial statements.

Water rights

Water rights pertain to FG Hydro's right to use water from the Pantabangan reservoir to generate electricity. NPC through a certification issued to FG Hydro dated July 27, 2006, gave its consent to the transfer to FG Hydro, as the winning bidder of the PAHEP/MAHEP, of the water permit for Pantabangan river issued by the National Water Resources Council on March 15, 1997.

Water rights are amortized using the straight-line method over 25 years, which is the term of the Agreement with National Irrigation Administration (NIA). The remaining amortization period of water rights is 6.9 years and 7.9 years as of December 31, 2024 and 2023, respectively.

Other intangible assets

Other intangible assets pertain to the Parent Company's, BGI's and GCGI's computer software and licenses.

14. Exploration and Evaluation Assets

	2024	2023
Balances at January 1	₱2,150,964,593	₱2,039,273,991
Additions	493,404,385	116,232,331
Provision for impairment (Notes 1 and 23)	—	(7,614,731)
Adjustments (Note 18)	5,240,297	2,998,903
Foreign exchange adjustment	—	74,099
Balances at December 31	₱2,649,609,275	₱2,150,964,593



Carrying amount of exploration and evaluation assets per project are as follows:

	2024	2023
Rangas/Kayabon	₱1,899,795,809	₱1,853,881,408
Amacan	488,890,451	81,588,453
Dauin/Bacong	83,343,530	81,247,411
Others	177,579,485	134,247,321
	₱2,649,609,275	₱2,150,964,593

Others include those related to foreign exploration and evaluation projects amounting to ₱83.0 million and ₱70.7 million as of December 31, 2024 and 2023, respectively.

In 2023, the exploration and evaluation costs incurred for EDC Peru SAC totaling to ₱7.6 million were assessed by the management to be no longer recoverable. No similar provision was recognized in 2024 and 2022.

15. Other Noncurrent Assets

	2024	2023
Prepaid taxes	₱8,265,182,904	₱5,884,341,462
Long-term receivables and special deposits (Notes 20, 31 and 37)	2,851,284,119	1,922,986,502
Prepaid expenses - net of current portion	107,191,967	18,828,779
Advances to contractors	318,217,278	651,512,675
Deposits and special funds	8,318,959	21,837,616
Others	1,205,961,581	1,240,510,419
	12,756,156,808	9,740,017,453
Less allowance for impairment	1,754,867,255	1,363,193,343
	₱11,001,289,553	₱8,376,824,110

Prepaid Taxes

Prepaid taxes include input VAT, real property tax (RPT) payments under protest and creditable withholding taxes (CWTs).

Input VAT

Input VAT represents VAT from purchases of goods or services that the Group can claim against any future liability to the Bureau of Internal Revenue (BIR) for output VAT from sale of goods and services. As of December 31, 2024 and 2023, this input VAT amounted to ₱5,352.5 million and ₱3,725.4 million, respectively.

Input VAT also includes the outstanding input VAT claims that were applied by the Group for refund with the BIR/Supreme Court (SC). As of December 31, 2024 and 2023, the outstanding input VAT claims which are still pending with the BIR/SC amounted to ₱1,068.2 million and ₱954.9 million, respectively.

RPT payments under protest

RPT payments under protest to certain local government units amounted to ₱1,186.5 million and ₱1,083.1 million as of December 31, 2024 and 2023, respectively.



The amounts paid in protest were in excess of the amounts determined using the 1.5% RPT rate stated in the Renewable Energy (RE) Law, and are pending with the Local Board of Assessment Appeals and Central Board of Assessment Appeals.

Creditable withholding taxes

CWTs pertain to incomes tax withheld by customers amounting to ₱658.0 million and ₱120.9 million as of December 31, 2024 and 2023, respectively.

Long-term receivables

Long-term receivables include receivable from TransCo arising from FIT rate adjustments (see Note 37) and loan to affiliate (see Note 20).

Others

Others include investment in Enerco amounting to ₱1,141.5 million and ₱1,225.3 million as of December 31, 2024 and 2023, respectively, which is accounted for as an investment in joint venture (see Note 3).

As of December 31, 2024, basic surface studies as well as civil works, road rehabilitation, base camp and avalanche controls have already been completed. Additional roads, drilling pad construction, base camp expansion and water supply system have been installed and completed. Exploration drilling program is intended to resume as soon as power supply agreements have been secured, access to transmission line has been negotiated and all the relevant permits have been obtained.

As of December 31, 2024 and 2023, the total assets of Enerco amounted to ₱1,997.6 million (US\$34.5 million) and ₱2,114.7 million (US\$38.2 million), respectively, of which current assets amounted to ₱0.4 million (US\$0.0 million) and ₱0.5 million (US\$0.0 million) as of December 31, 2024 and 2023, respectively. Enerco also has current liabilities amounting to ₱94.0 million (US\$1.6 million) and ₱60.2 million (US\$1.1 million) as of December 31, 2024 and 2023, respectively.

In 2024, 2023 and 2022, Enerco earned total comprehensive income amounting to ₱6.8 million (US\$0.1 million), ₱10.8 million (US\$0.1 million) and ₱71.2 million (US\$1.3 million), respectively, which include depreciation and amortization expenses amounting to ₱15.5 million (US\$0.3 million), ₱21.2 million (US\$0.4 million) and ₱20.7 million (US\$0.4 million) in 2024, 2023 and 2022, respectively.

In 2024, 2023 and 2022, the Group recognized its share in net losses of ENERCO amounting to ₱26.0 million (US\$0.4 million), ₱27.2 million (US\$0.5 million) and ₱11.6 million (US\$0.2 million), respectively.



Allowance for impairment

The rollforward analysis of the allowance for impairment pertaining to prepaid taxes and long-term receivables is presented below.

	2024		
	Prepaid taxes	Long-term receivables	Total
Beginning of year	₱1,203,823,208	₱159,370,135	₱1,363,193,343
Provision for impairment (Note 23)	385,530,035	26,655,351	412,185,386
Foreign exchange translation adjustment	13,933,626	3,824,883	17,758,509
Write-off (adjustments)	(38,269,983)	–	(38,269,983)
End of year	₱1,565,016,886	₱189,850,369	₱1,754,867,255

	2023		
	Prepaid taxes	Long-term receivables	Total
Beginning of year	₱1,231,222,655	₱153,924,625	₱1,385,147,280
Provision for (reversal of) impairment (Note 23)	(54,103,214)	5,445,510	(48,657,704)
Adjustments	26,703,767	–	26,703,767
End of year	₱1,203,823,208	₱159,370,135	₱1,363,193,343

Loss on direct write-off of input VAT claims amounting to ₱79.0 million, ₱44.1 million and ₱10.6 million in 2024, 2023 and 2022, respectively, were recognized as part of “Miscellaneous income - net” in the consolidated statements of income (see Note 27).

16. Trade and Other Payables

	2024	2023
Trade payables:		
Third parties	₱13,565,549,053	₱12,544,389,665
Related parties (Note 20)	4,433,456,860	4,060,082,434
	17,999,005,913	16,604,472,099
Others:		
Withholding and other taxes payable	905,958,094	600,261,686
Accrued interest on long-term debts (Notes 17 and 31)	821,011,275	624,810,038
SSS and other contributions payable	59,124,926	37,268,089
Government share payable (Note 33)	49,699,363	54,725,380
Dividends payable (Notes 19 and 20)	14,103,516	10,904,712
Other payables (Notes 3 and 23)	2,022,556,198	2,551,382,580
	3,872,453,372	3,879,352,485
	₱21,871,459,285	₱20,483,824,584

Trade payables are non-interest bearing and are normally settled on a 30 to 60 days payment term.

“Government share payable” pertains to outstanding payable to the government for its share on certain earnings of the Group generated from renewable energy.

Government share amounted to ₱442.7 million, ₱348.5 million and ₱360.1 million in 2024, 2023 and 2022, respectively (see Note 22).



“Other payables” account includes provision for shortfall generation amounting to ₱1,433.5 million and ₱1,581.2 million as of December 31, 2024 and 2023, respectively (see Note 3). Other payables also include deferred output VAT and other accruals (see Note 23).

17. Long-term Debts

The details of the Group’s long-term debts are as follows:

Creditor/Project	Maturities	Interest Rate	2024	2023
EDC Loans				
International Finance Corporation (IFC)				
▪ IFC 2 - ₱3.3 Billion	October 15, 2025	4.68% from April 16, 2021 until maturity	₱244,770,575	₱487,095,849
▪ IFC 3 - ₱4.8 Billion	March 15, 2033	7.8048%	2,784,032,627	3,108,177,056
DBP ₱291.2 Million Term Loan	December 17, 2030	5.50%	133,950,541	156,204,404
UBP ₱1.5 Billion Term Loan	December 5, 2026	5.25%	899,005,427	1,048,266,929
SBC ₱1.0 Billion Term Loan	December 5, 2031	5.5788%	727,127,945	786,597,512
UBP ₱2.0 Billion Term Loan	April 10, 2032	5.4382%	996,624,848	1,129,073,584
SBC ₱3.0 Billion Term Loan	May 4, 2027	5.3166%	898,536,052	1,257,232,640
SBC ₱1.0 Billion Term Loan	May 4, 2032	5.4277%	498,276,228	564,495,302
BPI ₱1.0 Billion Term Loan	June 1, 2027	5.2059%	299,573,864	419,205,493
SBC ₱500.0 Million Term Loan	May 4, 2032	5.4904%	249,123,626	282,229,602
BPI				
▪ ₱3.0 Billion Term Loan	April 15, 2030	5.1323%	1,942,447,349	2,239,727,144
▪ ₱3.0 Billion Term Loan	April 15, 2030	3.56%	1,942,280,175	2,239,447,752
BDO				
▪ ₱4.5 Billion Term Loan	September 10, 2030	4.25% until next repricing date in September 2025	2,965,277,097	3,499,257,133
▪ ₱2.0 Billion Loan	September 10, 2030	4.25% until next repricing date in September 2025	1,317,336,280	1,554,454,251
Fixed Rate ASEAN Green Bonds				
▪ Series A	June 25, 2024	2.8565%	—	2,494,412,166
▪ Series B	June 25, 2026	3.7305%	2,489,031,974	2,481,995,667
▪ Series C	May 27, 2027	6.7478%	2,967,317,546	—
▪ Series D	May 27, 2029	6.8873%	3,458,141,062	—
▪ Series E	May 27, 2031	7.0626%	3,456,536,115	—
US\$50 Million Mizuho Loan	March 24, 2027	5.45139% until next repricing date in March 2025	2,889,465,719	2,763,484,308
BPI				
▪ ₱2.0 Billion Term Loan	March 21, 2032	7.75% until next repricing date in March 2025	1,695,992,349	1,895,021,866
▪ ₱2.0 Billion Term Loan	March 21, 2032	6.6038% until next repricing date in March 2025	1,691,256,889	1,888,412,890
▪ ₱3.0 Billion Term Loan	March 21, 2032	6.6038% until next repricing date in March 2025	2,531,581,864	2,977,675,988
UBP ₱1.0 Billion Term Loan	March 24, 2032	5.831567% until next repricing date in March 2027	745,775,803	844,681,246
SBC ₱2.6 Billion Term Loan	April 19, 2032	5.7829% until next repricing date in April 2027	1,938,886,477	2,196,002,265
CTBC ₱1.5 Billion Term Loan	June 8, 2027	6.1869%	1,117,656,943	1,264,134,512
BDO				
▪ ₱2.0 Billion Term Loan	September 3, 2032	6.7029% until next repricing date in March 2025	1,595,392,066	1,794,706,375
▪ ₱3.0 Billion Term Loan	September 3, 2032	6.7029% until next repricing date in March 2025	2,386,194,560	2,683,575,152
CBC				
▪ ₱2.0 Billion Term Loan	October 5, 2032	6.1589% until next repricing date in October 2027	1,597,031,449	1,795,596,226
▪ ₱2.0 Billion Term Loan	October 5, 2032	6.1589% until next repricing date in October 2027	1,592,076,112	1,787,937,353

(Forward)



Creditor/Project	Maturities	Interest Rate	2024	2023
BDO				
▪ P2.0 Billion Term Loan	September 1, 2033	6.6819% until next repricing date in March 2025	₱1,788,023,420	₱1,985,219,658
▪ P3.0 Billion Term Loan	September 1, 2033	6.6819% until next repricing date in March 2025	2,829,650,314	—
BPI P3.0 Billion Term Loan	September 12, 2034	6.6381% until next repricing date in March 2025	2,978,486,020	—
BDO P3.0 Billion Term Loan	November 7, 2034	6.3220% until next repricing date in May 2025	2,978,483,675	—
CTBC US\$50 Million Term Loan	December 12, 2029	5.43598% until next repricing date in June 2025	2,856,559,210	—
CBC P3.0 Billion Term Loan	December 12, 2034	6.5305% until next repricing date in June 2025	2,977,739,948	—
Mizuho US\$50 Million Term Loan	December 12, 2029	5.18598% until next repricing date in June 2025	2,841,787,750	—
EBWPC Loans				
▪ Commercial Debt Facility US\$37.5 Million	October 23, 2029	2% margin + 6M Term SOFR + Credit Adjustment Spread (CAS)	—	1,053,055,565
▪ ECA Debt Facility US\$150 Million	October 23, 2029	2.35% margin + 6M Term SOFR + CAS	—	4,197,615,090
▪ Commercial Debt Facility P5.6 Billion	October 23, 2029	2% + PDST-F rate	—	2,859,429,291
▪ BDO P2.7 Billion Term Loan	December 19, 2034	6.5889% until next repricing date in June 2025	2,680,194,724	—
▪ Mizuho US\$80 Million Term Loan	December 20, 2029	5.30318% until next repricing date in June 2025	4,542,155,556	—
Total			74,523,780,179	55,734,420,269
Less current portion			9,095,041,512	8,964,648,449
Noncurrent portion			₱65,428,738,667	₱46,769,771,820

The Group's foreign-currency denominated long-term debts were translated into Philippine pesos based on the prevailing foreign exchange rates as at financial reporting date (US\$1= ₱57.85 on December 31, 2024 and US\$1= ₱55.37 on December 31, 2023).

The long-term debts are presented net of unamortized transaction costs. A rollforward analysis of unamortized transactions costs follows:

	2024	2023
Balances at beginning of year	₱351,293,524	₱409,179,791
Additions	417,088,323	90,060,000
Amortization (Note 25)	(196,956,632)	(147,946,267)
Balances at end of year	₱571,425,215	₱351,293,524

Parent Company Loans

The Parent Company entered into unsecured long-term loan arrangements with domestic and international financial institutions for its various development projects and working capital requirements.

IFC

The Parent Company entered into a loan agreement with IFC (First Loan), a shareholder of the Parent Company, on November 27, 2008 for US\$100.0 million or its Peso equivalent of ₱4.1 billion.

On January 7, 2009, the Parent Company opted to draw the loan in Peso and received the proceeds amounting to ₱4,048.8 million, net of ₱51.5 million front-end fee. The loan is payable in 24 equal semi-annual installments after a three-year grace period at an interest rate of 7.4% per annum for the first five (5) years subject to repricing for another five (5) to 10 years.



On May 20, 2011, the Parent Company signed a 15-year US\$75.0 million loan facility with the IFC (Second Loan) to fund its medium-term capital expenditures program. The loan was drawn in Peso on September 30, 2011 amounting to ₱3,262.5 million. The loan is payable in 24 equal semi-annual installments after a two-year grace period at an interest rate of 6.657% per annum subject to repricing for another five (5) to 10 years.

On March 22, 2018, the Parent Company signed a 15-year US\$90.0 million loan facility with IFC (Third Loan) to fund its 2018 capital expenditures and other general corporate requirements of its existing geothermal operations. The loan was drawn in Peso on June 22, 2018 amounting to ₱4,804.0 million at an interest rate of 7.8048%.

Following the consummation of this financing agreement, EDC and IFC have agreed to amend and reduce the spread of the first two (2) loans to 1.30%. All the other terms and conditions of the loans remained the same.

In April 2021, the Second Loan was repriced at a fixed rate of 4.68% per annum for the remaining tenor of the loan until maturity.

On April 15, 2023, EDC fully paid the First Loan.

On August 17, 2023, EDC and IFC executed a LIBOR Transition Amendment Agreement to replace the USD LIBOR references under the default rate interest provision of the Second Loan to Term SOFR plus credit adjustment spread equal to 0.42825%, in view of the cessation of publication of the USD LIBOR on June 30, 2023.

2013 Peso Fixed-Rate Bonds

On May 3, 2013, EDC issued fixed-rate peso bonds with an aggregate principal amount of ₱7.0 billion. The bonds, which have been listed on the PDEX, are comprised of ₱3.0 billion seven (7)-year bonds at 4.1583% per annum and ₱4.0 billion 10-year bonds at 4.7312% due on May 3, 2020 and May 3, 2023, respectively. Interest is payable semi-annually starting November 3, 2013. Transaction costs incurred in connection with the issuance of the seven (7)-year bonds and 10-year bonds amounted to ₱39.1 million and ₱52.1 million, respectively. The net proceeds were used by the Parent Company to partially fund the Burgos wind project located in the municipality of Burgos, Ilocos Norte with estimated project cost of US\$300.0 million.

On May 4, 2020, the Parent Company fully settled the ₱3.0 billion seven (7)-year bonds.

On May 3, 2023, the Parent Company fully settled the ₱4.0 billion 10 year bonds.

DBP ₱291.2 Million Term Loan

On December 8, 2015, EDC signed a ₱291.2 million loan at 5.75% per annum maturing on December 17, 2030 with Development Bank of the Philippines. The ₱291.2 million term loan was used to finance the Burgos Solar Phase I Project. On December 17, 2017, the loan agreement was amended to reduce the interest rate to 5.50% per annum.

UBP ₱1.5 Billion Term Loan

On June 24, 2016, EDC secured a ₱1.5 billion loan at 5.25% per annum maturing on December 5, 2026 with Union Bank of the Philippines. The ₱1.5 billion term loan was used to refinance the outstanding ₱3.5 billion fixed rate bonds which matured on December 4, 2016 and to fund other general corporate purposes.



SBC ₱1.0 Billion Term Loan

On December 1, 2016, EDC secured a ₱1.0 billion loan at 5.58% per annum maturing on December 5, 2031 with Security Bank Corporation. The ₱1.0 billion term loan was used to refinance the outstanding ₱3.5 billion fixed rate bonds which matured on December 4, 2016 and to fund other general corporate purposes.

UBP ₱2.0 Billion Term Loan

On April 5, 2017, EDC secured a ₱2.0 billion loan at 5.4382% per annum maturing on April 10, 2032 with Union Bank of the Philippines.

SBC ₱3.0 Billion and ₱1.0 Billion Term Loans

On April 26, 2017, EDC secured ₱3.0 billion loan at 5.32% per annum and ₱1.0 billion loan at 5.43% with Security Bank Corporation maturing on May 4, 2027 and May 4, 2032, respectively.

BPI ₱1.0 Billion Term Loan

On May 26, 2017, EDC secured a ₱1.0 billion loan at 5.21% per annum maturing on June 1, 2027 with Bank of the Philippine Islands.

SBC ₱500.0 Million Term Loan

On July 26, 2017, EDC secured a ₱500.0 million loan at 5.4904% per annum maturing on May 4, 2032 with Security Bank Corporation.

BPI ₱6.0 Billion Term Loan

On April 2, 2020, EDC signed a ₱6.0 billion 10-year term loan facility with Bank of the Philippine Islands. On April 15, 2020, EDC has drawn ₱3.0 billion from the loan facility at a fixed interest rate of 5.1323% per annum. On July 29, 2020, EDC has drawn the remaining ₱3.0 billion at a fixed interest rate of 3.56% per annum.

BDO ₱4.5 Billion Term Loan

On August 28, 2020, EDC signed a ₱11.5 billion 10-year term loan facility with BDO Unibank, Inc. On September 10, 2020, EDC has drawn ₱4.5 billion from the loan facility at a fixed rate of 4.25% until next repricing date in September 2025. The loan maturity date is on September 10, 2030.

BDO ₱2.0 Billion Term Loan

On February 18, 2021, EDC made a drawdown of additional ₱2.0 billion from the facility it signed with BDO on September 10, 2020 at a fixed rate of 4.25% per annum until next repricing date in September 2025. The loan maturity date is on September 10, 2030.

Fixed Rate ASEAN Green Bonds

On June 25, 2021, EDC successfully listed its SEC-registered ASEAN Green Bonds with an aggregate principal amount of ₱5.0 billion. The bonds, which have been listed on the PDEX, are comprised of ₱2.5 billion three (3)-year Series A bonds at 2.8565% per annum and ₱2.5 billion five (5)-year Series B bonds at 3.7305% per annum due on June 25, 2024 and June 25, 2026, respectively.

On May 27, 2024, EDC successfully listed its SEC-registered ASEAN Green Bonds with an aggregate principal amount of ₱10.0 billion. The bonds, which have been listed on the PDEX, are comprised of ₱3.0 billion three (3)-year Series C bonds at 6.7478% p.a., ₱3.5 billion five (5)-year Series D bonds at 6.8873% p.a. and ₱3.5 billion seven (7)-year Series E bonds at 7.0626% p.a. due on May 27, 2027, May 27, 2029 and May 27, 2031, respectively.

On June 25, 2024, the Parent Company fully settled the ₱2.5 billion 3-year Series A bonds.



US\$50.0 Million Mizuho Loan

On March 24, 2022, the US\$50 Million Mizuho Loan was refinanced by a new term loan with Mizuho at a six (6)-month floating rate of 2.0879% per annum maturing on March 24, 2027. The loan has repriced and currently has a six (6)-month floating rate of 5.45139% per annum until its next repricing date in March 2025.

BPI ₱2.0 Billion Term Loan

On March 21, 2022, EDC secured a ₱2.0 billion loan maturing on March 21, 2032 from the Bank of the Philippine Islands. The loan has repriced and currently has a six (6)-month floating rate of 7.75% per annum until its next repricing date in March 2025.

BPI ₱2.0 Billion Term Loan

On June 21, 2023, EDC secured a ₱2.0 billion loan maturing on March 21, 2032 from the Bank of the Philippine Islands. The loan has repriced and currently has a six (6)-month floating rate of 6.6038% until its next repricing date in March 2025.

BPI ₱3.0 Billion Term Loan

On December 19, 2023, EDC secured a ₱3.0 billion loan maturing on March 21, 2032 from the Bank of the Philippine Islands. The loan has repriced and currently has a six (6)-month floating rate of 6.6038% until its next repricing date in March 2025.

UBP ₱1.0 Billion Term Loan

On March 24, 2022, EDC secured a ₱1.0 billion loan at 5.831567% per annum until its next repricing date in March 2027, maturing on March 24, 2032 with Union Bank of the Philippines.

SBC ₱2.6 Billion Term Loan

On April 19, 2022, EDC secured a ₱2.6 billion loan at 5.7829% per annum until its next repricing date in April 2027, maturing on April 19, 2032 with Security Bank Corporation, which partly refinanced the balance of the Fixed Rate Corporate Note (FXCN) facility.

CTBC ₱1.5 Billion Term Loan

On June 8, 2022, EDC secured a ₱1.5 billion loan at 6.1869% per annum maturing on June 8, 2027 with CTBC Bank (Philippines) Corp.

BDO ₱2 Billion Term Loan

On September 5, 2022, EDC secured a ₱2.0 billion loan maturing on September 3, 2032 from BDO Unibank, Inc. The loan has repriced and currently has a six (6)-month floating rate of 6.7029% until its next repricing date in March 2025.

BDO ₱3 Billion Term Loan

On February 22, 2023, EDC secured a ₱3.0 billion loan maturing on September 3, 2032 from BDO Unibank, Inc. The loan has repriced and currently has a six (6)-month floating rate of 6.7029% until its next repricing date in March 2025.

CBC ₱2.0 Billion Term Loan

On October 5, 2022, EDC secured a ₱2.0 billion loan maturing on October 5, 2032 from China Banking Corporation. The loan has repriced at a fixed rate of 6.1589% per annum until its next repricing date in October 2027.



CBC ₱2.0 Billion Term Loan

On April 25, 2023, EDC secured a ₱2.0 billion loan maturing on October 5, 2032 from China Banking Corporation. The loan has repriced at a fixed rate of 6.1589% per annum until its next repricing date in October 2027.

BDO ₱2.0 Billion Term Loan

On September 1, 2023, EDC secured a ₱2.0 billion loan maturing on September 1, 2033 from BDO Unibank, Inc. The loan has repriced and currently has a six (6)-month floating rate of 6.6819% per annum until its next repricing date in March 2025.

BDO ₱3.0 Billion Term Loan

On March 6, 2024, EDC secured a ₱3.0 billion loan maturing on September 1, 2033 from BDO Unibank, Inc. The loan has repriced and currently has a six (6)-month floating rate of 6.6819% per annum until its next repricing date in March 2025.

BPI ₱3.0 Billion Term Loan

On September 12, 2024, EDC secured a ₱3.0 billion loan maturing on September 12, 2034 from the Bank of the Philippine Islands. The loan was priced at a six (6)-month floating rate of 6.6381% per annum until its next repricing date in March 2025.

BDO ₱3.0 Billion Term Loan

On November 7, 2024, EDC secured a ₱3.0 billion loan maturing on November 7, 2034 from BDO Unibank, Inc. The loan was priced at a six (6)-month floating rate of 6.3220% per annum until its next repricing date in May 2025.

CBC ₱3.0 Billion Term Loan

On December 12, 2024, EDC secured a ₱3.0 billion loan maturing on December 12, 2034 from China Banking Corporation. The loan was priced at a six (6)-month floating rate of 6.5305% until its next repricing date in June 2025.

CTBC US\$50.0 Million Term Loan

On December 12, 2024, EDC secured a US\$50 million loan maturing on December 12, 2029 from CTBC Bank (Philippines) Corp. The loan was priced at a six (6)-month floating rate of 5.43598% per annum until its next repricing date in June 2025.

Mizuho US\$50.0 Million Term Loan

On December 12, 2024, EDC secured a US\$50 million loan maturing on December 12, 2029 from Mizuho Bank, Ltd. - Manila Branch. The loan was priced at a six (6)-month floating rate of 5.18598% per annum until its next repricing date in June 2025.

EBWPC Loan

On October 17, 2014, EDC has signed a secured US\$315.0 million loan for Burgos Wind Project (Commercial Debt Facility US\$37.5 million, ECA Debt Facility US\$150 million, Commercial Debt Facility ₱5.6 billion). This is a financing facility for the construction of the 150 MW Burgos Wind Project (BWP) in Ilocos Norte. The facility, which consists of US dollar and Philippine peso tranches, will mature in 15 years. Portion of the proceeds received from the financing facility was used to settle the outstanding bridge loans in October 2014.

On June 15, 2015, EBWPC has fully drawn the US\$315.0 million financing agreement in ECA Debt Facility, USD Commercial Debt Facility, and Peso Commercial Debt Facility with various banks.



Under the agreement of the EBWPC's Project Financing, EBWPC entered into Mortgage Agreement with Philippine National Bank, the Onshore Collateral Agent. The Mortgage shall cover all of the assets of EBWPC whether such assets now exist or at any time hereafter come into existence, or are now at any time hereafter acquired, and whether any such later acquisition is by way of addition thereto or substitution of any component part thereof, together with all the rights and interests therein.

Under the agreement of the EBWPC's Project Financing, EBWPC's debt service is guaranteed by the Parent Company.

On October 27, 2023, EBWPC and the Project Financing lenders executed a Global Deed of Amendment for LIBOR Transition to replace the USD LIBOR references under the ECA Debt Facility and USD Commercial Debt Facility to Term SOFR plus credit adjustment spread of 0.42825%, in view of the cessation of publication of the USD LIBOR on 30 June 2023. EBWPC also amended the trade confirmations with the IRS swap counterparties to transition from LIBOR to Term SOFR benchmark prior to its repricing in December 2023.

As of December 31, 2023, EBWPC had seven (7) interest rate swaps (IRS) with aggregate notional amount of US\$118.3 million. This was to partially hedge the interest rate risks on its ECA and USD Commercial Debt Facility (Hedged Loan) that was benchmarked against six (6) months Term SOFR (see Note 31). Four (4) of the IRS transactions were subsequently terminated on October 21, 2024.

On December 13, 2024, EBWPC secured an interest-free subordinated shareholder advances from the Parent Company and voluntarily prepaid the principal outstanding of the BWP project financing (PF) on December 16, 2024. With the prepayment of the PF, the remaining three (3) IRS were also subsequently terminated on December 16, 2024. EBWPC and the BWP PF parties subsequently executed a Global Deed of Release and Termination, discharging each party of its obligations under the PF agreements and reassigning to the Borrower all rights, title and interest in any collateral security or security interest previously created under the PF security documents.

On December 16, 2024 and December 17, 2024, EBWPC signed bilateral corporate term loan agreements with BDO Unibank, Inc. for ₱5.0 billion and Mizuho Bank, Ltd. for US\$80.0 million, where EBWPC drew ₱2.7 billion and US\$80.0 million, respectively, to repay the advances received from the Parent Company for the prepayment of the BWP PF, to fund capital expenditures, and/or for general corporate purposes. Under the term loan agreements, any debt service shortfall amount is guaranteed by the Parent Company.

BDO ₱2.7 Billion Term Loan

On December 19, 2024, EBWPC secured a ₱2.7 billion loan maturing on December 19, 2034 from BDO Unibank, Inc. The loan was priced at a six (6)-month floating rate of 6.5889% until its next repricing date in June 2025.

Mizuho US\$80.0 Million Term Loan

On December 20, 2024, EBWPC secured a US\$80 million loan maturing on December 20, 2029 from Mizuho Bank, Ltd. - Singapore Branch. The loan was priced at a six (6)-month floating rate of 5.30318% until its next repricing date in June 2025.

Unused Credit Facilities

As of December 31, 2024 and 2023, the Group has ₱9,848.7 million and ₱4,895.6 million respectively, of unused short-term credit facilities from various local banks, which may be availed of for future operating activities.



Loan Covenants

Under the various loan agreements, the Parent Company and EBPWC are subject to debt incurrence ratios and equity distribution restriction ratio, depending on the counterparty, in each case subject to certain exceptions and conditions.

As of December 31, 2024 and 2023, the Parent Company and EBPWC are in compliance with the loan covenants of all their respective outstanding debts.

18. Provisions and Other Long-term Liabilities

	2024	2023
Provision for rehabilitation and restoration costs (Notes 3, 12 and 14)	₱1,769,405,955	₱1,640,194,761
Provision for sick leave and vacation leave	381,142,908	337,922,663
Others (Notes 3, 25 and 32)	1,997,197,915	1,377,225,231
	₱4,147,746,778	₱3,355,342,655

Provision for rehabilitation and restoration costs

This account includes the provision for rehabilitation and restoration costs of the Group which pertain to the present value of estimated costs of legal and constructive obligations required to restore all the existing sites upon termination of the cooperation period. The nature of these restoration activities includes dismantling and removing structures, rehabilitating wells, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas. The obligation generally arises when the asset is constructed or the ground or environment at the site is disturbed. When the liability is initially recognized, the present value of the estimated costs is capitalized as part of the carrying amount of the related FCRS and production wells under “Property, plant and equipment” and “Exploration and evaluation assets” accounts (see Notes 12 and 14).

The rollforward analysis of the provision for rehabilitation and restoration costs is presented below:

	2024	2023
Balances at beginning of year	₱1,640,194,761	₱1,422,136,054
Accretion of interest (Note 25)	99,738,668	97,070,297
Effect of revision of estimate (Notes 12 and 14)	29,472,526	120,988,410
Balances at end of year	₱1,769,405,955	₱1,640,194,761

Provision for sick leave and vacation leave

This account consists of provision for vacation and sick leave entitlement of active employees which can be monetized and converted into cash. The provision pertains to the unused vacation and sick leaves at the end of the calendar year up to the maximum allowed leave credits for provision. Vacation and sick leave credits exceeding the maximum allowed are forfeited.

The calculation of the provision for vacation and sick leave entitlement is actuarially determined using assumptions such as discount rate and salary rate increase. In determining the appropriate discount rate, the Group considers the interest rates on government bonds denominated in Peso and have terms to maturity approximating the terms of related liability.



Details of provision for vacation and sick leave as of and for the years ended December 31, 2024, and 2023 are as follows:

	2024	2023
Balances at beginning of year	₱337,922,663	₱307,724,752
Additions	43,220,245	30,197,911
Balances at end of year	₱381,142,908	₱337,922,663

Others

Others include provision for pending assessments from various regulatory agencies and outstanding legal cases including the corresponding interest thereon. Such estimated costs were developed in consultation with in-house and external legal counsels and are based on the thorough analysis of the potential outcomes. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

As of December 31, 2024 and 2023, provision for pending assessments and outstanding legal cases amounted to ₱481.4 million and ₱473.6 million, respectively. Details of provision for pending assessments are as follows:

	2024	2023
Balances at beginning of year	₱473,616,226	₱465,805,119
Accretion of interest (Notes 3 and 25)	7,811,107	7,811,107
Balances at end of year	₱481,427,333	₱473,616,226

Others also include proceeds received from the Joint Crediting Mechanism (JCM) Program of the Ministry of Environment of Japan (MOEJ) for the 29 MW Palayan Bayan Project and Tanawon Project with an aggregate amount of ₱1,182.6 million and ₱784.6 million as of December 31, 2024 and 2023, respectively.

The JCM Program encourages projects to use low carbon technologies and infrastructure that contribute to sustainable development in developing countries such as the Philippines. Under the JCM Program, the Japanese Government provides subsidy or financial assistance in exchange for credits corresponding to the GHG emission reductions. This allows the Japanese Government to achieve its overall emissions reduction targets.

Under the JCM Program, the Group is required to assign 50% or more of the issued JCM credit corresponding to GHG emission reductions achieved by the registered JCM projects to the Japanese government, until the end of their legal durable years as stipulated under the Japanese law.

19. Equity

On May 19, 2009, the Board and the stockholders approved an increase in EDC's authorized capital stock from ₱15.1 billion comprising of 15.0 billion common shares with a par value of ₱1.00 per share or aggregate par value of ₱15.0 billion, and 7.5 billion preferred shares with a par value of ₱0.01 per share or aggregate par value of ₱75.0 million to ₱30.1 billion divided into 30.0 billion common shares with a par value of ₱1.00 per share or aggregate par value of ₱30.0 billion, and 15.0 billion preferred shares with a par value of ₱0.01 per share or aggregate par value of ₱150.0 million. The increase in authorized capital stock of the common shares was effected by way of a 25% stock dividend, to be taken from EDC's unrestricted retained earnings as of December 31, 2008.



On October 12, 2009, the SEC approved the increase in the EDC's authorized capital stock from ₱15.1 billion to ₱30.1 billion divided into 30 billion common shares with a par value of ₱1.00 per share and 15.0 billion preferred shares with a par value of ₱0.01 per share by way of common stock dividends (totaling 3.75 billion common shares with any fractional shares being subscribed by the EDC Retirement Fund and/or Trust for the EDC Executive/Employee Stock Ownership Plan) and the subscription by the current preferred stockholders to 1.875 billion preferred shares, representing 25% of the increase in the preferred shares at par value.

The stock dividends were distributed on November 23, 2009 to stockholders as of the record date of October 27, 2009.

On February 28, 2014, the Board approved the reclassification of EDC's 3.0 billion common shares with a par value of ₱1.00 per share or aggregate par value of ₱3.0 billion out of the unissued authorized common stock to 300.0 million non-voting preferred shares with a par value of ₱10.00 per share or aggregate par value of ₱3.0 billion thereby creating a new class of preferred shares. On November 24, 2014, the SEC approved the above reclassification from the unissued authorized common shares of the Parent Company.

On August 3, 2017, EDC received a notice from Philippines Renewable Energy Holdings Corporation (PREHC) that it filed a Tender Offer Report with the SEC in which it indicated that it will launch a voluntary tender offer to acquire up to a maximum of 8.9 billion common shares of EDC, representing approximately 31.7% of EDC's total outstanding voting shares, at a price of ₱7.25 per share. PREHC is indirectly held by a consortium of investors comprising funds managed by Macquarie Infrastructure Management (Asia) Pty Limited, Singapore Branch, a member of Macquarie Infrastructure and Real Assets (MIRA), and Arran Investment Pte Ltd, an affiliate of GIC Pte Ltd. of Singapore.

The tender offer began on August 10, 2017 and ended on September 18, 2017.

The completion of the tender offer resulted to PREHC owning 31.7% of EDC's outstanding voting shares while Red Vulcan retained the controlling interest with 60.0% ownership of EDC's outstanding voting shares.

On August 7, 2018, the Board of EDC approved the voluntary delisting of its common shares from the Main Board of the PSE and, in accordance with the PSE's delisting rules and regulations, to conduct a tender offer (the Tender Offer) for up to 2,040,006,713 common shares held collectively by all shareholders of the Group other than Red Vulcan Holdings Corporation (Red Vulcan), First Gen Corporation (First Gen), Northern Terracotta Power Corp. (NTPC) and PREHC, at a price of ₱7.25 per common share (Tender Offer Price).

On September 19, 2018, EDC filed a petition for the delisting with the PSE.

The Tender Offer began on September 24, 2018 and ended on October 22, 2018.

Following the completion of the Tender Offer, a total of 2,009,107,731 common shares, representing approximately 10.72% of the EDC's outstanding voting shares were tendered pursuant to the Tender Offer, accepted and thereafter purchased by EDC via a block sale through the facilities of the PSE on November 5, 2018. The shares were purchased at the Tender Offer Price with a total transaction value of ₱14,566.0 million.

On November 14, 2018, the Board of the PSE granted the voluntary delisting filed by EDC and accordingly ordered the delisting of the EDC's common shares from the official registry of the PSE (electronic board and ticker) effective on November 29, 2018.



On December 3, 2018, the Board of EDC approved the issuance of additional 326,250,000 non-preemption common shares to PREHC out of its existing unissued capital stock at an issue price of ₱7.25 per common share.

On April 5, 2019 and May 9, 2019, the Board and the stockholders, respectively, approved the amendment to the Seventh Article of the Articles of Incorporation (AOI) of the Parent Company, to increase the dividends of the voting preferred shares by adding a fixed annual dividends at the rate as may be determined and revised from time to time by the Board, in addition to the current dividend rate of eight percent (8%) of the par value of the voting preferred shares.

The amendment to the Parent Company's AOI was approved by the SEC on October 17, 2019.

On February 27, 2023 and May 12, 2023, the Board and the stockholders, respectively, approved the amendment to the Seventh Article of the AOI of the Parent Company, to (i) increase the par value of each common share from ₱1.00 to ₱1,000,000.00, and (ii) increase the par value of each voting preferred share from ₱0.01 to ₱10,000.00, while maintaining its current authorized capital stock.

The amendment to the Parent Company's AOI was approved by the SEC on December 29, 2023.

As of December 31, 2024, the outstanding voting preferred and common shares are 65.0% held by Filipino citizens, with Red Vulcan holding the entire outstanding voting preferred shares equivalent to 35.5% voting interest, and common shares equivalent to 44.0% economic interest in EDC.

The combined interest of Red Vulcan entitles it to 63.9% voting interest and 44.0% economic interest in EDC as of December 31, 2024.

The number of stockholders of the Parent Company as of December 31, 2024 and 2023 follows:

	2024	2023
Voting preferred shares	1	1
Common shares	332	1,834

Details of the number of non-voting preferred shares, voting preferred shares and common shares as of December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Non-voting preferred shares -			
Par value per share	₱10.00	₱10.00	₱10.00
Authorized	300,000,000	300,000,000	300,000,000
Issued and outstanding	—	—	—
Voting preferred shares -			
Par value per share	₱10,000.00*	₱10,000.00*	₱0.01
Authorized	15,000	15,000	15,000,000,000
Issued and outstanding	9,375	9,375	9,375,000,000
Common shares -			
Par value per share*	₱1,000,000.00*	₱1,000,000.00*	₱1.00
Authorized	27,000	27,000	27,000,000,000
Issued	19,076.25	19,076.25	19,076,250,000
Outstanding (net of Treasury Stock as at December 31)	17,028.08	17,041.57	17,041,572,772

*The SEC approved the (i) increase in par value of voting preferred shares from ₱0.01 per share to ₱10,000.00 per share, and (ii) increase in par value of common shares from ₱1.00 per share to ₱1,000,000.00 per share on December 29, 2023.



As of December 31, 2024 and 2023, the Parent Company's preferred shares have the following features:

- The voting preferred shares have voting rights, entitled to cumulative dividend rate of eight percent (8.0%) per annum plus a fixed annual dividend at the rate as may be determined and revised from time to time by the Board, and redeemable at par in the event that restrictions on foreign share ownership are lifted.
- The non-voting preferred shares have non-voting rights (except in cases provided for by law) and are entitled to cumulative dividend at a rate to be determined by the Board at the time of issuance, and redeemable at the option of the Parent Company.

Preferred shares, regardless if voting or non-voting, are non-participating and non-convertible to common shares.

Treasury Stock

On August 7, 2018, the Board, as part of the Group's plan to voluntary delist, approved the buyback of up to 2.04 billion common shares held collectively by all shareholders of the Group other than Red Vulcan, First Gen, NTPC and PREHC at a price of ₱7.25 per common share.

As of December 31, 2024 and 2023, the details of the common shares acquired based on the previous par value of ₱1.00 per share are as follows:

Date of Acquisition	Number of Shares	Average price per share	Total Amount
March 11, 2022	234,600	₱7.2588	₱1,702,920
November 26, 2021	497,670	7.2500	3,608,107
July 26, 2021	6,265,779	7.2500	45,426,900
March 19, 2021	55,250	7.2500	400,562
January 19, 2021	41,400	7.2500	300,150
November 18, 2020	9,750	7.2500	70,688
September 17, 2020	1,105,726	7.2500	8,016,512
June 25, 2020	1,049,967	7.2500	7,612,261
June 23, 2020	1,368,075	7.2500	9,918,544
March 3, 2020	699,978	7.2500	5,074,840
February 26, 2020	241,425	7.2500	1,750,331
February 18, 2020	41,000	7.2500	297,250
October 16, 2019	680,000	7.2500	4,930,000
September 25, 2019	31,875	7.2500	231,094
June 6, 2019	111,670	7.2500	809,607
April 21, 2019	19,707	7.2500	142,876
April 11, 2019	5,625	7.2500	40,781
February 22, 2019	120,000	7.2500	870,000
November 5, 2018	2,009,107,731	7.2500	14,566,031,050
May 3, 2016	1,000,000	5.6350	5,650,299
May 2, 2016	390,000	5.6623	2,214,701
April 8, 2016	2,000,000	5.6370	11,303,312
January 11, 2016	900,000	5.5475	5,005,731
January 8, 2016	3,700,000	5.6394	20,921,074

(Forward)



Date of Acquisition	Number of Shares	Average price per share	Total Amount
December 14, 2015	2,000,000	₱5.5813	₱11,190,764
December 11, 2015	3,000,000	5.7267	17,225,627
	2,034,677,228		14,730,745,981
Effect of SEC's approval of the reverse stock split in December 2023	(2,034,675,193.32)		—
	2,034.68		14,730,745,981
Fractionalized common shares paid:			
March 2024	0.18	7,389,583.33	1,330,125
April 2024	1.81	7,511,896.69	13,596,533
May 2024	7.01	7,498,561.06	52,564,913
June 2024	3.74	7,493,252.14	28,024,763
July 2024	0.35	7,527,580.00	2,634,653
August 2024	0.21	7,677,738.10	1,612,325
September 2024	0.08	7,182,850.00	574,628
October 2024	0.04	7,500,000.00	300,000
November 2024	0.08	7,650,287.50	612,023
Total	2,048.17		₱14,831,995,944

Cumulative Translation Adjustments

The details of cumulative translation adjustments as of December 31, 2024 and 2023 are as follows:

	2024	2023
Foreign exchange adjustments	₱1,458,608,218	₱1,175,713,229
EBWPC's change in functional currency	417,367,032	417,367,032
Balances at end of year	₱1,875,975,250	₱1,593,080,261

The movements in the "Foreign exchange adjustments" account in 2024 and 2023 are as follows:

	2024	2023
Balances at beginning of year	₱1,175,713,229	₱1,261,065,917
Foreign exchange adjustments	282,894,989	(85,352,688)
Balances at end of year	₱1,458,608,218	₱1,175,713,229

In 2016, EBWPC changed its functional currency to US Dollar. In accordance with PAS 21, such change in functional currency was accounted for prospectively. Balances as of January 1, 2016 were translated using the exchange rate at the date of change and the resulting translated amounts for nonmonetary items are treated as their historical cost. The change in functional currency resulted in an exchange difference amounting to ₱417.4 million which was presented as part of the "Cumulative translation adjustments" in the consolidated statements of financial position.

Equity Reserve

On October 16, 2008, EDC, First Gen and FG Hydro entered into a Share Purchase and Investment Agreement (SPIA), whereby EDC shall own 60 % of the outstanding equity of FG Hydro, which was then a wholly-owned subsidiary of First Gen prior to the SPIA. FG Hydro and EDC were subsidiaries of First Gen at that time and were, therefore, under common control of First Gen. The acquisition was accounted for similar to a pooling-of-interests method since First Gen controlled FG Hydro and EDC before and after the execution of the SPIA. EDC recognized equity reserve amounting to ₱3,706.4 million pertaining to the difference between the acquisition cost and EDC's proportionate share in the paid-in capital of FG Hydro.



Retained Earnings

Dividends

Following are the dividends declared by the Parent Company:

Declaration date	Record date	Payment date	Shareholders	Description	Dividend per share	Total amount
2024:						
June 24, 2024	July 15, 2024	July 31, 2024	Common	Regular	₱146,809.79	₱2,500,000,000
			Preferred	Regular	31,306.67	293,500,000
November 22, 2024	December 2, 2024	December 31, 2024	Common	Special	217,288.16	3,700,000,000
						₱6,493,500,000

Declaration date	Record date	Payment date	Shareholders	Description	Dividend per share	Total amount
2023:						
May 12, 2023	May 31, 2023	June 30, 2023	Common	Regular	₱0.1467	₱2,499,586,287
			Preferred	Regular	0.0313	293,500,000
November 23, 2023	December 4, 2023	December 29, 2023	Common	Special	0.1760	2,999,503,544
						₱5,792,589,831

Declaration date	Record date	Payment date	Shareholders	Description	Dividend per share	Total amount
2022:						
May 19, 2022	May 31, 2022	June 30, 2022	Common	Regular	₱0.1467	₱2,500,000,000
			Preferred	Regular	0.0313	293,500,000
November 24, 2022	December 5, 2022	December 29, 2022	Common	Special	0.1467	2,500,000,000
						₱5,293,500,000

The retained earnings balance is restricted to the extent of: (a) acquisition price of the treasury stocks amounting to ₱14,832.0 million and ₱14,730.7 million as of December 31, 2024 and 2023, respectively; and (b) the undistributed net earnings of subsidiaries amounting to ₱10,989.1 million and ₱8,652.8 million as of December 31, 2024 and 2023, respectively. Undistributed earnings of the subsidiaries are not available for dividend distribution until such time that the Parent Company receives the dividends from these subsidiaries.

Appropriation of Retained Earnings

On November 24, 2022, the Board of the Parent Company approved a resolution to appropriate up to ₱40.0 billion of which ₱30.0 billion was appropriated out of the Parent Company's unrestricted retained earnings for its capital expenditure requirements and planned loan principal payment for loans maturing in 2023 to 2032.

On November 23, 2023, the Board of the Parent Company approved a resolution to appropriate up to ₱20.0 billion of which ₱15.0 billion was appropriated out of the Parent Company's unrestricted retained earnings for its capital expenditure requirements and planned loan principal payment for loans maturing in 2024 to 2032.

The Group made a reversal of prior years' appropriation of retained earnings amounting to ₱43.8 billion and ₱8.5 billion on December 31, 2024 and 2023, respectively.

On November 22, 2024, the BOD of the Parent Company approved a resolution to appropriate up to ₱41.0 billion of which ₱35.0 billion was appropriated out of the Parent Company's unrestricted retained earnings for its capital expenditure requirements or capital expansion projects.

NCI

The non-controlling interests in the consolidated financial statements represent mainly the ownership by First Gen of 100% of preferred shares and 40% of common shares of FG Hydro.



On August 7, 2024, FG Hydro declared dividends amounting to ₱2,012.3 million, of which ₱804.9 million is attributable to non-controlling common shareholder and paid on September 14, 2024.

No dividends were declared by FG Hydro in 2023 and 2022.

Following are the summarized financial information of FG Hydro as at December 31, 2024 and 2023 and for each of the three (3) years in the period ended December 31, 2024:

Statements of financial position

	2024	2023
	<i>(In Thousands)</i>	
Current assets	₱1,457,627	₱3,167,716
Noncurrent assets	3,034,117	3,059,870
Total Assets	₱4,491,744	₱6,227,586
Current liabilities	₱108,424	₱122,951
Noncurrent liabilities	65,131	78,811
Total Liabilities	173,555	201,762
Total Equity	4,318,189	6,025,824
Total Liabilities and Equity	₱4,491,744	₱6,227,586

Statements of comprehensive income

	2024	2023	2022
	<i>(In Thousands)</i>		
Revenue	₱1,590,982	₱2,132,799	₱4,061,354
Cost and operating expenses	(1,393,628)	(1,893,373)	(3,674,467)
Other charges	136,704	102,264	(13,128)
Income before income tax	334,058	341,690	373,759
Provision for income tax	(29,443)	(16,043)	(18,968)
Net income	304,615	325,647	354,791
Other comprehensive income	3,055	21,220	8,266
Total comprehensive income	₱307,670	₱346,867	₱363,057

Statements of cash flows

	2024	2023	2022
	<i>(In Thousands)</i>		
Net cash flows from operating activities	₱574,350	₱919,145	₱627,794
Net cash flows from (used in) investing activities	(244,321)	(317,284)	234,917
Net cash flows used in financing activities	(2,064,750)	—	—
Net (decrease) increase in cash and cash equivalents	(₱1,734,721)	₱601,861	₱862,711



20. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

Following are the amounts of transactions and outstanding balances as of and for the years ended December 31, 2024, 2023 and 2022 with entities under common control:

Related Party	Nature of Transaction	Terms	Transactions for the years ended December 31			Outstanding Balances as of December 31	
			2024	2023	2022	2024	2023
Due to related parties							
Entities under common control							
First Gen	Interest-free advances	Unsecured and will be settled in cash	₱8,483,187	₱6,639,613	₱22,245,966	₱1,734,507	₱1,608,946
FGP Corp	- do -	- do -	—	—	30,000	59,388	59,388
						₱1,793,895	₱1,668,334
Dividends payable							
(Note 16)							
Affiliate							
Philippine Renewable Energy Holdings Corp.	Dividend	Unsecured and will be settled in cash	₱3,359,167,696	₱2,977,681,382	₱2,706,983,074	₱—	₱—
Entities under common control							
Red Vulcan	- do -	- do -	3,023,870,535	2,714,051,234	2,494,001,122	—	—
First Gen	- do -	- do -	858,786,497	48,059,418	43,690,380	—	—
North Terracotta Power Corp	- do -	- do -	53,886,497	47,795,533	—	—	—
						₱—	₱—
Due from related parties							
Entities under common Control							
First GES	Other services	Unsecured and will be settled in cash	₱17,809,253	₱16,989,195	₱14,485,644	₱55,242,519	₱37,433,266
Thermaprime	Interest-free advances	- do -	—	—	—	1,941,251	1,941,251
First Gen	Other services	- do -	—	1,130,910	—	1,203,736	2,334,646
						₱58,387,506	₱41,709,163
Trade and other receivables							
(Note 7)							
Entities under common Control							
Rockwell Land Corporation	Sale of electricity	Unsecured and will be settled in cash	₱301,798,417	₱285,318,091	₱173,080,325	₱36,395,328	₱32,747,133
First GES	- do -	- do -	486,612,129	897,836,133	715,167,155	34,082,364	85,940,256
ABS-CBN	- do -	- do -	144,246,700	154,722,907	123,856,973	15,467,331	14,907,008
PI Energy Inc.	- do -	- do -	217,853,037	150,045,216	109,134,282	9,959,127	8,753,793
First Industrial Township, Inc	- do -	- do -	49,620,237	42,796,318	—	9,742,550	7,610,298
First Philippine Industrial Park (FPIP)	- do -	- do -	23,710,171	21,276,552	3,684,864	3,223,263	1,621,507
FPIP Utilities, Incorporated	- do -	- do -	23,618,534	12,615,962	1,501,067	2,071,093	1,268,464
First Philec Inc.	- do -	- do -	17,215,064	14,334,828	12,390,614	2,030,200	1,062,363
FGen Natural Gas Supply, Inc.	- do -	- do -	2,748,954	2,596,813	—	534,370	2,795,926
First Gas Power Corp.	- do -	- do -	1,334,591	221,137	—	170,143	179,024
Fresh River Lakes Corp.	- do -	- do -	1,665,865	—	—	17,138	—
						₱113,692,907	₱156,885,772

(Forward)



Related Party	Nature of Transaction	Terms	Transactions for the years ended December 31			Outstanding Balances as of December 31	
			2024	2023	2022	2024	2023
Other noncurrent assets (Note 15)							
Thermaprime	Loan to affiliate	Payable in 3 years from effectivity of agreement	₱1,025,476,524	₱—	₱—	₱1,025,476,524	₱—
Trade and other payables (Note 16)							
Entities under common Control							
		Unsecured and will be settled in cash					
First Balfour Inc.	Civil works and other services		₱7,209,912,212	₱5,446,411,985	₱2,801,054,047	₱2,647,788,952	₱3,408,865,760
Thermaprime	Drilling and other related services	- do -	4,925,238,652	1,160,777,545	1,839,532,425	605,580,070	256,208,713
	Purchase of services and utilities	- do -	2,820,117,445	2,509,759,125	1,742,566,153	855,212,965	33,903,129
Meralco		- do -	386,509,049	—	—	67,794,169	—
Fresh River Lakes Corp.	- do -	- do -	636,993,452	451,143,202	127,017,300	63,522,323	117,198,928
First GES	- do -	- do -	150,645,483	121,602,278	108,920,266	49,958,553	48,023,940
TG Services Inc	- do -	- do -					
Silverlink Security & Investigative Services, Inc.	- do -	- do -	167,522,326	131,641,188	120,738,071	46,693,328	42,349,628
Powerlink Security & Investigative Services, Inc.	- do -	- do -	72,835,474	61,965,511	82,588,390	36,936,299	35,430,836
InfoPro Business Solutions, Inc	- do -	- do -	193,582,248	176,974,616	150,703,345	29,394,746	32,665,462
PI Energy Inc.	- do -	- do -	105,874,697	86,149,301	46,795,999	11,455,586	10,363,399
FPIP Property Developers and Management Corporation	- do -	- do -	4,436,888	4,274,540	4,350,825	7,993,189	9,077,831
Bayan Telecommunications Holdings Corporation	- do -	- do -	—	56,840	3,841,382	2,253,289	2,757,559
Therma One Transport Corp.	- do -	- do -	8,216,328	6,086,984	11,529,122	1,634,760	2,794,847
Prime Meridian Powergen Corporation	- do -	- do -	—	—	1,404,894	1,372,211	1,335,551
Skycable	- do -	- do -	2,525,994	2,873,088	2,796,294	1,297,722	1,103,277
First Philippine Realty Corporation	- do -	- do -	9,405,650	2,797,729	651,553	897,174	683,384
INAEC Aviation Corporation	- do -	- do -	—	5,590,600	2,149,030	726,578	726,578
First Philec Inc.	- do -	- do -	—	—	—	568,555	568,555
First Natgas Power Corp.	- do -	- do -	1,136,287	15,608,180	6,784,187	524,492	—
FPIP	- do -	- do -	135,498	102,826	165,125	461,796	471,608
Asian Eye Institute, Inc.	- do -	- do -	—	—	—	443,991	443,991
First Philec Manufacturing Technologies Corp	- do -	- do -	—	—	—	328,720	328,720
Pilipino Cable Corporation	- do -	- do -	—	—	—	150,000	150,000
Lopez Holdings Corporation	- do -	- do -	78,500	55,500	—	126,000	—
Goldlink Security & Investigative Services, Inc.	- do -	- do -	—	—	—	77,512	77,512
ABS-CBN Foundation, Inc.	- do -	- do -	219,000	—	717,776	63,000	63,000
FGP Corp.	- do -	- do -	—	29,388	78,389	61,073	95,770
Lopez, Inc.	- do -	- do -	101,773	121,631	86,481	44,451	10,391
Securities Transfer Services, Inc.	- do -	- do -	—	—	—	36,720	36,720
First Philippine Industrial Corporation	- do -	- do -	—	—	142	22,412	22,412
FPIP Utilities Incorporated	- do -	- do -	411,086	285,699	180,184	20,791	20,000
Others	- do -	- do -	3,121,056	9,178,315	46,102,696	15,433	6,422,570
First Gen	Consultancy fee	- do -	95,764,705	95,764,705	92,891,765	—	47,882,363
Other related party							
PREHC Directors	Directors' fee	- do -	13,773,028	28,276,234	2,074,818	—	—
						₱4,433,456,860	₱4,060,082,434

(Forward)



Related Party	Nature of Transaction	Terms	Transactions for the years ended December 31			Outstanding Balances as of December 31	
			2024	2023	2022	2024	2023
		Unsecured and will be settled in cash					
Thermaprime	Lease		₱4,745,224,826	₱-	₱-	₱4,541,598,894	₱-
Rockwell Land Corporation	- do -	- do -	-	2,238,513	120,649,575	125,583,141	283,523,857
						₱4,667,182,035	₱283,523,857

The amounts outstanding are unsecured and will be settled in cash. The Group did not recognize any impairment losses on receivables from related parties in 2024, 2023 and 2022. Entities under common control consists of subsidiaries (direct or indirect) of Lopez, Inc., the Group's ultimate parent.

i. First Gen

Consultancy agreement

First Gen provides financial consultancy, business development and other related services to the Parent Company under a consultancy agreement.

In 2017, the consultancy agreement was extended until December 31, 2020. In 2021, this was again extended for another two (2) years until December 31, 2022. In 2023, this was again extended for one (1) year until December 31, 2023. On August 8, 2024 the consultancy agreement was extended for a period of 24 months, from January 1, 2024 to December 31, 2025.

The total consultancy services amounted to ₱95.8 million, ₱95.8 million and ₱92.9 million in 2024, 2023 and 2022, respectively, and were included in the "Purchased services and utilities" under "General and administrative expenses" account (see Note 23).

ii. First Balfour, Inc. (First Balfour)

Following the regular bidding process, the Group awarded to First Balfour procurement contracts for various works such as civil, structural and mechanical/piping works in the Group's geothermal, wind and solar power plants.

As of December 31, 2024 and 2023, the outstanding balance amounted to ₱2,647.8 million and ₱3,408.9 million, respectively, recorded under "Trade and other payables" account in the consolidated statements of financial position (see Note 16).

iii. Thermaprime

Thermaprime Drilling Corporation (Thermaprime) is a subsidiary of First Balfour, a wholly owned subsidiary of First Holdings. Thermaprime provides drilling services such as, but not limited to, rig operations, rig maintenance, well design and engineering. Thermaprime also provides drilling rig preservation services to EDC.

As of December 31, 2024 and 2023, the outstanding balance of due from Thermaprime amounted to ₱1.9 million.

As of December 31, 2024, the outstanding balance for loan to Thermaprime amounted to ₱1,025.5 million, recorded under "Other Noncurrent Assets" account in the consolidated statement of financial position (see Note 15). No similar transaction in 2023.



As of December 31, 2024 and 2023, the outstanding balance payable to Thermaprime amounted to ₱605.6 million and ₱256.2 million, respectively, recorded under “Trade and other payables” an account in the consolidated statements of financial position (see Note 16).

As of December 31, 2024 the outstanding balance payable to Thermaprime amounted to ₱4,541.6 million recorded under “Lease Liability” an account in the consolidated statements of financial position (see Note 32). No similar transaction in 2023.

iv. Rockwell Land Corporation

The Parent Company has an agreement with Rockwell Land Corporation (Rockwell) for the lease of office and parking spaces in Rockwell Business Center.

As of December 31, 2024 and 2023, the outstanding lease liability related to Rockwell amounted to ₱125.6 million and ₱283.5 million, respectively (see Note 32).

Intercompany Guarantees

The Parent Company issued a credit line amounting to US\$80.0 million in favor of its subsidiary, EDC Chile Limitada, as evidence of the Parent Company’s financial support for EDC Chile Limitada’s participation in the bids for geothermal concession areas by the Chilean Government.

Also, the Parent Company issued letters of credit in favor of its subsidiaries in Peru, namely, EDC Peru S.A.C. and EDC Energia Verde Peru S.A. at US\$0.27 million each as evidence of the Parent Company’s financial support for the geothermal authorizations related to the exploration drilling activities of the said entities which expired on March 1, 2024 and February 21, 2024, respectively.

On May 25, 2023, the Board and stockholders of Energy Development Corporation Peru S.A.C decided to no longer pursue exploration and development activities in Peru due to political and market factors (see Note 1).

Under the bilateral corporate term loan agreements executed in December 2024 by EBWPC with BDO and Mizuho Bank, Ltd., any debt service shortfall amount under these loans is guaranteed by EDC.

Remuneration of Key Management Personnel

The remuneration of the directors and other members of key management personnel by benefit type are as follows:

	2024	2023	2022
Short-term employee benefits	₱489,383,916	₱473,277,561	₱331,142,425
Post-employment benefits			
(Note 28)	25,854,958	20,063,823	14,498,523
	₱515,238,874	₱493,341,384	₱345,640,948



21. Revenue from Sale of Electricity

Revenue from contracts with customers

a. Power purchase agreements (PPAs)

Mindanao II

The PPA provides, among others, that NPC shall pay the Parent Company a base price per kilowatt-hour of electricity delivered, subject to inflation adjustments. The PPA stipulates a minimum energy offtake of 398 GWH per year. The contract is for a period of 25 years, which commenced in June 1999 and expired in June 2024.

b. Power supply agreements (PSAs)

EDC, GCGI, BGI, and FG Hydro entered into various PSAs with private distribution utilities, electric cooperatives, retail electricity supplier and industrial customers with contract periods ranging from two (2) years to 26 years as of December 31, 2024 and one (1) year and three (3) months to 26 years as of December 31, 2023. The remaining periods of these contracts ranges from three (3) months to 16 years as of December 31, 2024 and two (2) months to 17 years as of December 31, 2023. Under these contracts, the aforementioned entities shall generate and deliver to its bilateral customers the contracted energy on a monthly basis, and are paid based on price per kilowatt-hour of electricity delivered, subject to certain adjustments such as foreign exchange and inflation.

c. Spot market sales

Electricity in excess of contracted capacity are sold to the spot market at spot market rate.

d. Feed-in-tariff (FIT)

EDC and EBWPC were issued a FIT COC by the ERC which entitles them to an applicable FIT rate, as prescribed by the ERC. EDC and EBWPC also signed agreements with National Transmission Corporation (TransCo), the FIT administrator. These agreements enumerate the rights and obligations under the FIT rules and FIT-All guidelines, in respect to the full payment of the actual energy generation of the generator, at a price equivalent to the applicable FIT rate, subject to adjustments as may be approved by the ERC, for the entire duration of its FIT eligibility period.

e. Retail supply contracts

BGI and GCGI have entered into various retail supply contracts with contestable customers with contract periods ranging from one (1) year to 14 years and four (4) months as of December 31, 2024 and six (6) months to eight (8) years and six (6) months as of December 31, 2023. The remaining periods of these contracts ranges from two (2) months to 13 years as of December 31, 2024 and two (2) months to seven (7) years and five (5) months as of December 31, 2023.

Under the RSCs, BGI and GCGI charge the customer both the basic energy and pass-through charges, as may be applicable.



f. GEOP supply contracts

BGI and GCGI have entered into various GEOP supply contracts with contestable customers with contract periods ranging from one (1) year to nine (9) years and six (6) months as of December 31, 2024 and from one (1) year to three (3) years as of December 31, 2023. The remaining periods of these contracts ranges from eight (8) months to eight (8) years and 10 months as of December 31, 2024 and three (3) months to two (2) years and nine (9) months as of December 31, 2023.

g. Ancillary services procurement agreements (ASPAs)

EDC, GCGI and FG Hydro each have entered into ASPAs with NGCP which is effective for a period of five (5) years, commencing upon approval of the ERC. The ASPAs of EDC and GCGI already expired last September 2022, while the ASPA of FG Hydro is scheduled to expire in September 20, 2028.

22. Costs of Sale of Electricity

	2024	2023	2022
Purchased services and utilities (Note 20)	₱9,081,471,374	₱7,107,245,525	₱12,816,806,572
Depreciation and amortization (Notes 12 and 13)	6,715,164,625	6,893,684,580	6,482,788,430
Rental, insurance, and taxes (Note 32)	3,207,657,604	2,696,682,383	2,200,658,737
Personnel costs (Notes 24 and 28)	2,073,765,148	1,998,310,643	1,746,051,396
Repairs and maintenance	1,863,418,251	1,950,880,333	1,738,758,802
Parts and supplies issued (Note 10)	1,136,360,506	1,424,654,890	1,165,835,154
Government share (Notes 16 and 33)	442,681,303	348,530,144	360,139,366
Business and related expenses	195,564,668	149,304,371	76,461,106
	₱24,716,083,479	₱22,569,292,869	₱26,587,499,563

Purchased services and utilities includes cost of electricity purchased from the spot market, professional and technical services, hauling and handling costs, rig mobilization charges, contractual personnel costs, and other services and utilities expense.

23. General and Administrative Expenses

	2024	2023	2022
Purchased services and utilities (Note 20)	₱3,189,600,324	₱2,845,139,586	₱2,445,582,091
Personnel costs (Notes 24 and 28)	2,317,668,374	2,088,038,811	1,784,566,572
Business and related expenses	1,053,838,141	900,865,097	408,139,394
Rental, insurance, and taxes (Note 32)	579,380,754	161,171,990	472,504,374
Depreciation and amortization (Notes 12 and 13)	347,522,195	346,747,482	324,308,542

(Forward)



	2024	2023	2022
Provision for impairment of trade and other receivables, prepaid taxes, and others (Notes 7 and 15)	₱332,073,222	₱31,220,205	₱688,464,769
Provision for (reversal of) impairment of parts and supplies inventories (Notes 3, 5 and 10)	138,871,710	(69,773,870)	20,721,752
Parts and supplies issued (Note 10)	125,156,555	107,402,928	186,427,229
Repairs and maintenance	95,957,931	155,051,077	71,862,857
Provision for impairment of goodwill, property, plant and equipment, exploration and evaluation, and other various assets (Notes 1, 12, 13, 14, 20 and 27)	—	282,352,678	—
	₱8,180,069,206	₱6,848,215,984	₱6,402,577,580

Business and related expenses consists of expenses incurred by the Group for local and foreign travel, company meeting expenses and advertising, and among other business expenses.

24. Personnel Costs

	2024	2023	2022
Salaries and other benefits	₱3,953,823,600	₱3,730,405,499	₱3,207,471,449
Net retirement and other post-employment benefit expense (Note 28)	385,112,281	305,162,161	282,626,512
Social security costs	52,497,641	50,781,794	40,520,007
	₱4,391,433,522	₱4,086,349,454	₱3,530,617,968
Costs of sale of electricity (Note 22)	₱2,073,765,148	₱1,998,310,643	₱1,746,051,396
General and administrative expenses (Note 23)	2,317,668,374	2,088,038,811	1,784,566,572
	₱4,391,433,522	₱4,086,349,454	₱3,530,617,968

25. Interest Income and Interest Expense

Interest income consists of the following:

	2024	2023	2022
Interest income on cash and cash equivalents, debt service reserve account and other short-term investments (Notes 6, 11 and 31)	₱555,408,590	₱775,261,668	₱200,610,594
Others	33,317,597	43,061,399	57,520,592
	₱588,726,187	₱818,323,067	₱258,131,186



Others include interest income from FIT rate adjustments (see Note 37), financial assets at FVOCI, and interest income on late payments of TransCo.

Interest expense consists of the following:

	2024	2023	2022
Interest on long-term debts including amortization of transaction costs (Notes 17 and 31)	₱3,533,704,873	₱3,062,758,645	₱2,761,753,861
Interest accretion on provision for rehabilitation and restoration costs (Notes 3, 12 and 18)	99,738,668	97,070,297	86,251,083
Interest on lease liability (Notes 31 and 32)	10,180,592	12,126,255	16,758,684
Interest on liability from litigation (Notes 3 and 18)	7,811,107	7,811,107	7,811,107
	₱3,651,435,240	₱3,179,766,304	₱2,872,574,735

Interest on liability from litigation is related to land expropriation (see Notes 3 and 18).

26. Foreign Exchange Gains (Losses)

	2024	2023	2022
Realized foreign exchange gains - net	₱255,315,890	₱7,040,316	₱64,384,757
Unrealized foreign exchange gains (losses) - net	(204,089,261)	3,248,159	(108,245,605)
Net foreign exchange gains (losses)	₱51,226,629	₱10,288,475	(₱43,860,848)

This account pertains mainly to foreign exchange adjustments realized on repayment of loans and unrealized on restatement of outstanding balances of foreign currency-denominated long-term debt and trade payables, and cash and cash equivalents. The detailed information with respect to the closing foreign exchange rates used in the translation of monetary assets and liabilities of the Group as of December 31, 2024 and 2023 is presented in Note 31 to the consolidated financial statements.

27. Miscellaneous Income (Charges) - net

	2024	2023	2022
Income from insurance claims (Note 32)	₱326,812,788	₱747,556,450	₱194,919,990
Gain (loss) on disposal and retirement of property, plant and equipment - net (Notes 12 and 20)	(369,134,416)	(801,045)	5,165,656
Gain on unwinding of derivatives (Note 31)	202,397,116	—	—

(Forward)



	2024	2023	2022
Loss on direct write-off of input VAT claims (Notes 3 and 15)	(₱78,954,381)	(₱44,055,773)	(₱10,560,486)
Mark-to-market gain (loss) on financial assets at FVPL (Note 8)	2,207,790	1,018,757	(7,689,361)
Realized income (loss) from redemption of financial assets at FVPL (Note 8)	144,472	(1,537)	31,259,850
Derivative losses - net (Note 31)	—	—	(242,246,733)
Others - net (Notes 3, 8 and 15)	(79,915,873)	(134,385,448)	(97,206,983)
	₱3,557,496	₱569,331,404	(₱126,358,067)

In 2024, loss on disposal and retirement of property, plant and equipment includes reversal of cumulative translation adjustments amounting to ₱70.9 million. No similar transactions for 2023.

Others include market charges, share in net loss from joint venture and various bank and loan related charges.

28. Retirement and Other Post-employment Benefits Plans

The Parent Company, GCGI and BGI have a funded, non-contributory, defined benefit retirement plan, while FG Hydro and EBWPC have unfunded, non-contributory defined benefit retirement plan. The Group also provides post-employment medical and life insurance benefits which are unfunded. The plan covers all permanent employees and is administered by trustee banks.

Generally, upon fulfillment of certain employment conditions, the retirement benefits are payable in lump sum upon retirement, which is determined on the basis of the retiree's final salary and computed at certain percentage of final monthly salary base pay for every year of service.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The following tables summarize the components of net benefit expense recognized in profit or loss and the funded status and amounts recognized in the consolidated statements of financial position:

	2024	2023	2022
Current service cost	₱227,049,992	₱183,685,072	₱193,378,698
Net interest	158,062,289	121,477,089	89,247,814
Retirement and other post-employment benefit expense (Note 24)	₱385,112,281	₱305,162,161	₱282,626,512



	2024	2023
Present value of defined benefits obligation	₱4,757,953,095	₱4,563,979,843
Fair value of plan assets	(2,318,112,869)	(1,936,568,484)
Net retirement and other post-employment benefits liability	₱2,439,840,226	₱2,627,411,359

The remeasurement effect of employee benefits recognized in the consolidated statements of comprehensive income, included in “Other comprehensive income”, follows:

	2024	2023	2022
Remeasurement loss (gain)	₱35,530,850	₱719,577,496	(₱276,785,541)
Loss (gain) on return on plan assets excluding amount included in net interest	(17,905,226)	28,774,931	95,816,073
Remeasurement loss (gain) on employee benefits	₱17,625,624	₱748,352,427	(₱180,969,468)

Changes in the net retirement and other post-employment benefits liability recognized in the consolidated statements of financial position follow:

	2024	2023
Net retirement and other post-employment benefits liability at beginning of year	₱2,627,411,359	₱1,759,719,829
Retirement and other post-employment benefit expense	385,112,281	305,162,161
Net remeasurement loss	17,625,624	748,352,427
Contributions to the plan	(592,519,769)	(177,443,920)
Foreign exchange adjustments	2,210,731	(8,379,138)
Net retirement and other post-employment benefits liability at end of year	₱2,439,840,226	₱2,627,411,359

Changes in the present value of the defined benefit obligation are as follows:

	2024	2023
Defined benefits obligation at beginning of year	₱4,563,979,843	₱3,596,634,261
Current service cost	227,049,992	183,685,072
Interest cost on benefits obligation	274,295,588	249,308,313
Benefits paid	(345,113,909)	(176,846,161)
Remeasurements arising from:		
Changes in financial assumptions	10,674,240	610,856,248
Deviations of experience from assumptions	24,856,610	108,721,248
Foreign exchange adjustments	2,210,731	(8,379,138)
Defined benefits obligation at end of year	₱4,757,953,095	₱4,563,979,843



Changes in the fair value of plan assets are as follows:

	2024	2023
Fair value of plan assets at beginning of year	₱1,936,568,484	₱1,836,914,432
Interest income	116,233,299	127,831,224
Contributions to the plan	592,519,769	177,443,920
Benefits paid	(345,113,909)	(176,846,161)
Return on plan assets, excluding interest income	17,905,226	(28,774,931)
Fair value of plan assets at end of year	₱2,318,112,869	₱1,936,568,484
Actual return on plan assets	₱134,138,525	₱99,056,293

The retirement funds of EDC, GCGI and BGI are maintained by BDO Trust. This trustee bank is also responsible for investment of the plan assets. The investing decisions of the Plan are made by the respective retirement committees of the said companies.

Management reviews the performance of the defined benefit retirement plan on a regular basis. The overall investment policy and strategy of the Group's retirement benefit plan is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay retirement benefits as they fall due while also mitigating the various risks of the Plan. The Group's current investment strategy is suited for an investor with a conservative investment risk profile.

The fair value of plan assets by each class at end of the reporting period follows:

	2024	2023
Investments quoted in active market		
Quoted equity investments (by industry)		
Holding firms	₱131,853,992	₱145,823,159
Financials - banks	227,522,746	136,162,939
Property	107,881,273	134,168,543
Transportation services	56,448,640	47,479,384
Industrial - electricity, energy, power and water	35,757,743	41,159,393
Industrial - food, beverage, and tobacco	33,275,580	26,382,660
Services - telecommunications	27,727,581	29,741,165
Golf and country club	26,766,667	21,933,333
Retail	4,314,678	7,195,502
	651,548,900	590,046,078
Quoted debt instruments		
Government securities	845,000,831	1,050,931,868
Corporate bonds	61,785,686	73,111,496
	906,786,517	1,124,043,364
Unquoted investments		
Cash and cash equivalents	745,183,268	207,716,969
Receivables and other assets	14,594,184	14,762,073
	759,777,452	222,479,042
Fair value of plan assets	₱2,318,112,869	₱1,936,568,484

The carrying amounts of investments in equity securities also approximate their fair values since they are marked-to-market.



Unrealized losses arising from investments in Lopez Holdings Corp. and First Gen Corp. for the years 2024, 2023 and 2022 amounted to nil.

The voting rights over these equity securities are exercised by the trustee banks.

- Investments in corporate bonds consist of both short-term and long-term corporate notes and bonds, which bear interest ranging from 3.00% to 6.37% and have maturities from 2022 to 2028.
- Investments in government securities consist of retail treasury bonds and fixed rate treasury notes that bear interest ranging from 2.13% to 8.63% and have maturities from 2029 to 2037.
- Cash and cash equivalents include regular savings and time deposits.
- Other financial assets held by these plans are primarily accrued interest income on cash deposits and debt securities held by the plans; and dividend receivable from equity securities. Liabilities of the plans pertain to trust fee payable and other accrued expenses payable.

The Group expects to contribute ₱443.63 million to its defined benefit retirement plan in 2025.

The principal actuarial assumptions used in determining retirement and other post-employment benefits as of December 31 of each year are as follows:

	2024	2023
Discount rate	6.01%-6.10%	6.04%-6.10%
Future salary increase rate	6.0%-9.0%	4.0%-9.0%
Medical costs trend rate	6%	6%

The discount rate was based on approximated zero-coupon yield of government bonds with remaining period to maturity approximating the estimated average duration of benefit payment.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2024 and 2023, assuming all other assumptions were held constant:

	2024	
	Increase/Decrease in Percentage Point	Increase (Decrease) in Defined Benefit Obligation
Discount rate	+1%	(₱420,466,641)
	-1%	486,071,412
Future salary increases	+1%	₱476,546,299
	-1%	(423,617,385)
Medical costs trend	+1%	₱2,880,356
	-1%	(2,545,700)



2023		
	Increase/Decrease in Percentage Point	Increase (Decrease) in Defined Benefit Obligation
Discount rate	+1%	(P414,179,478)
	-1%	478,406,466
Future salary increases	+1%	P469,288,734
	-1%	(417,221,378)
Medical costs trend	+1%	P2,932,143
	-1%	(2,596,130)

The estimated weighted average duration of benefit payment is 15 years and 18 years in 2024 and 2023, respectively.

Following are the information about the maturity profile of the defined benefit obligation as of December 31, 2024 and 2023:

	2024	2023
Less than one (1) year	P485,310,971	P420,301,529
One (1) year up to five (5) years	2,263,050,893	2,002,735,863
More than five (5) years up to 10 years	2,928,770,187	3,189,452,657
More than 10 years up to 15 years	1,884,332,868	1,876,679,796
More than 15 years	6,142,861,642	6,094,486,338

29. Income Tax

- a. The deferred income tax assets (liabilities) of the Group are presented in the consolidated statements of financial position as follows:

	2024	2023
Deferred income tax assets	P865,508,396	P875,533,081
Deferred income tax liabilities	93,512,275	134,863,515
	P771,996,121	P740,669,566

The components of the Group's recognized deferred tax assets and liabilities follow:

2024				
	Beginning of Year	Charged to Income	Charged to OCI	End of Year
Deferred tax assets on:				
Impairment loss on property, plant and equipment	P619,298,820	P99,942	P-	P619,398,762
Allowance for impairment loss	188,518,661	105,395,664	-	293,914,325
Accrued retirement benefits	337,008,401	(86,159,102)	1,762,563	252,611,862
Provision for rehabilitation and restoration costs	158,895,953	10,253,701	-	169,149,654
Revenue generated during testing period of BGI power plants	130,966,297	(6,532,939)	-	124,433,358
Unrealized foreign exchange losses	60,747,805	(60,747,805)	-	-

(Forward)



	2024			
	Beginning of Year	Charged to Income	Charged to OCI	End of Year
Provision for impairment of parts and supplies inventories	₱54,642,745	₱14,584,710	₱—	₱69,227,455
Differences in fair value versus cost of Tongonan and Palinpinon property, plant and equipment	31,445,303	(7,881,781)	—	23,563,522
Lease liabilities	31,567,093	445,878,163	—	477,445,256
Others	436,225,003	65,353,800	(3,796,820)	497,781,983
	2,049,316,081	480,244,353	(2,034,257)	2,527,526,177
Deferred income tax liabilities on:				
Differences between the carrying amount of nonmonetary assets and liabilities and the related tax base	(1,073,640,024)	(17,351,249)	—	(1,090,991,273)
Fair value changes on hedging transactions	(67,590,720)	(2,352,756)	69,943,476	—
Right-of-use assets	(24,262,313)	(431,081,438)	—	(455,343,751)
Unrealized foreign exchange gains	(134,555,178)	(42,366,051)	267,109	(176,654,120)
Others	(8,598,280)	(23,942,632)	—	(32,540,912)
	(1,308,646,515)	(517,094,126)	70,210,585	(1,755,530,056)
	₱740,669,566	(₱36,849,773)	₱68,176,329	₱771,996,121
	2023			
	Beginning of Year	Charged to Income	Charged to OCI	End of Year
Deferred tax assets on:				
Impairment loss on property, plant and equipment	₱618,728,782	₱570,038	₱—	₱619,298,820
Allowance for impairment loss	283,262,866	(94,744,205)	—	188,518,661
Accrued retirement benefits	181,175,218	80,997,940	74,835,243	337,008,401
Provision for rehabilitation and restoration costs	147,818,562	11,077,391	—	158,895,953
Revenue generated during testing period of BGI power plants	137,499,236	(6,532,939)	—	130,966,297
Unrealized foreign exchange losses	75,459,007	(14,711,202)	—	60,747,805
Provision for impairment of parts and supplies inventories	61,737,422	(7,094,677)	—	54,642,745
Differences in fair value versus cost of Tongonan and Palinpinon property, plant and equipment	39,750,433	(8,305,130)	—	31,445,303
Lease liabilities	38,112,716	(6,545,623)	—	31,567,093
Others	346,567,317	86,519,057	3,138,629	436,225,003
	1,930,111,559	41,230,650	77,973,872	2,049,316,081
Deferred income tax liabilities on:				
Differences between the carrying amount of nonmonetary assets and liabilities and the related tax base	(1,095,585,160)	21,945,136	—	(1,073,640,024)
Fair value changes on hedging transactions	(92,669,009)	—	25,078,289	(67,590,720)
Right-of-use assets	(31,424,820)	7,162,507	—	(24,262,313)
Unrealized foreign exchange gains	(114,006,832)	(20,548,346)	—	(134,555,178)
Others	(8,001,390)	(596,890)	—	(8,598,280)
	(1,341,687,211)	7,962,407	25,078,289	(1,308,646,515)
	₱588,424,348	₱49,193,057	₱103,052,160	₱740,669,566

Bayanihan to Recover as One Act (Bayanihan 2)

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 of Bayanihan 2 which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.



As of December 31, 2024, the Group has incurred NOLCO which can be claimed as deduction against the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Availment Period	Amount	Applied Previous Year/s	Expired	Applied Current Year	Unapplied
2022	2023-2025	₱3,159,646,109	₱455,144,441	₱-	₱1,062,237,552	₱1,642,264,116
2023	2024-2026	250,749,747	-	-	-	250,749,747
2024	2025-2027	910,605,593	-	-	-	910,605,593
		₱4,321,001,449	₱455,144,441	₱-	₱1,062,237,552	₱2,803,619,456

As of December 31, 2024, the Group has NOLCO in taxable years 2020 and 2021 which can be claimed as deduction against the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover as One Act, as follows:

Year Incurred	Availment Period	Amount	Applied Previous Year/s	Expired	Applied Current Year	Unapplied
2020	2021-2025	₱1,133,931,407	₱223,817,136	₱-	₱4,816,863	₱905,297,408
2021	2022-2026	1,323,919,713	40,498	-	117,605,477	1,206,273,738
		₱2,457,851,120	₱223,857,634	₱-	₱122,422,340	₱2,111,571,146

Movements of the Group's NOLCO are as follows:

	2024	2023
Balances at January 1	₱5,189,244,901	₱5,393,639,595
Addition	910,605,593	250,749,747
Application	(1,184,659,892)	(455,144,441)
Balances at December 31	₱4,915,190,602	₱5,189,244,901

As of December 31, 2024 and 2023, the Group did not recognize deferred income tax asset from its NOLCO addition amounting to ₱910.6 million and ₱250.7 million, respectively, which pertain to losses of entities subject under 25% tax regime. This NOLCO with an unrecognized deferred income tax asset is part of the total NOLCO outstanding balances amounting to ₱4,915.2 million and ₱5,189.2 million as of December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the Group has incurred Minimum Corporate Income Tax (MCIT) in taxable year 2024 and 2023 amounting to ₱28.1 million and ₱1.2 million which can be claimed as deduction against the regular income tax due for the next three (3) consecutive taxable years.

The 10% statutory rate applies to the relevant renewable energy operations covered by the RE Law, while the 25% applies, in general, to the other activities.

- b. A numerical reconciliation between provision for income tax and the product of accounting income multiplied by the tax rates of 10% or 25%, as applicable, follows:

	2024	2023	2022
Income before income tax	₱10,244,588,641	₱15,972,317,584	₱12,925,613,157
Income tax at statutory tax rates (10% or 25%)	1,302,152,509	1,057,710,336	924,934,037
Adjustments for:			
Net movement of unrecognized deferred tax asset on NOLCO	(291,510,814)	62,645,816	364,151,539
Non-deductible provisions - net	74,431,248	586,681,563	165,781,932

(Forward)



	2024	2023	2022
Interest income - net of final tax	(P55,251,797)	(P78,042,983)	(P16,346,117)
Effect of change in tax rate	(35,909,696)	(77,396,685)	265,213,097
Loss (benefit) from ITH incentive	(28,562,093)	4,927,433	(5,759,517)
Translation adjustment on nonmonetary assets and liabilities	28,424,600	4,553,445	113,826,407
Non-deductible interest expense	8,987,829	13,437,281	3,693,000
Net movement of temporary differences reversing during income tax holiday	560,733	6,218,990	(22,379,707)
Non-taxable/non-deductible foreign exchange gains on ROP bonds and others	—	24,531	(29,558)
Provision for income tax	P1,003,322,519	P1,580,759,727	P1,793,085,113

- c. As of December 31, 2024 and 2023, the taxable temporary differences representing the excess of the carrying amount of the investments in subsidiaries over the tax base amounted to P31,171.3 million and P27,387.5 million, respectively. There is no corresponding deferred income tax liability recognized since these temporary differences pertain to investment in domestic companies and, accordingly, the reversals of these temporary differences are through regular dividend distribution not subject to income tax. The management intends to hold the investments in its subsidiaries.

Moreover, the related fair value loss of the investment in BGI and GCGI's preferred shares accounted for as financial asset at fair value through other comprehensive income amounted to P1,440.0 million and P1,998.0 million as of December 31, 2024 and 2023, respectively. There is no corresponding deferred income tax asset recognized since there are no capital gains to offset the said capital loss.

Furthermore, no deferred income tax asset was recognized on the provision for asset impairment in relation to the investment in Chile amounting to P26.1 million and P26.1 million, investment in Peru amounting to P1,267.2 million and P1,267.2 million, and investment in ULGEI amounting to P4,300.0 million and P4,000.0 million as of 2024 and 2023, respectively, since there are also no corresponding capital gains to offset the said capital losses.

- d. On February 14, 2013, BGI was granted with an income tax holiday (ITH) incentive by the Board of Investments (BOI) covering its 130 MW BMGPP complex. On February 17, 2015, BGI received a Legal and Compliance Service letter from BOI granting the upward amendment of registered capacity of the BMGPP complex from 130 MW to 140 MW effective for seven (7)-year period beginning in July 2013 or date of commissioning, whichever is earlier. Subject to certain conditions, BGI is entitled to income tax holiday for seven (7) years from July 2013 or date of commissioning of the power plants, whichever is earlier. BGI does not recognize deferred tax assets and deferred tax liabilities on temporary differences for its registered activities that are expected to reverse during the ITH period. In June 2020, the ITH entitlement for the 140 MW BMGPP expired.
- e. On May 6, 2021, BGI was registered with BOI covering the 29 MW Palayan Binary Power Plant (PBPP) - Phase 1 and 20 MW Tanawon Geothermal Power Plant (Tanawon Power Plant) - Phase 2 Projects. In February 2024, PBPP had already started its commissioning and testing and generated its first kilowatt-hour of electricity. As of December 31, 2024, PBPP has yet to start its



commercial operations pending issuance of a Provisional Authority to Operate (PAO) from the Energy Regulatory Commission. As of December 31, 2024, Tanawon Power Plant is still being constructed and has not yet started its commercial operations.

- f. On November 13, 2015, GCGI was granted with an ITH incentive by the BOI covering its 112.5 MW Tongonan Geothermal Power Plant, effective for seven (7)-year period beginning in April 2015. In May 2020, there was an upward amendment of the registered operating capacity from 112.5 MW to 123 MW, a 10.5 MW increase in registered operating capacity resulting from the additional investment for rehabilitation of three steam turbines. On April 9, 2022, the ITH entitlement for the original 112.5 MW approved operating capacity expired. Thus, until May 2027, the remaining ITH entitlement shall only apply to revenues derived from power generated in between 112.5 MW and 123 MW operating capacity and sold to the grid, other entities and/or communities.
- g. FG Hydro is registered with the BOI under the Omnibus Investments Code of 1987 as the new operator of the 112 MW PAHEP/MAHEP on a pioneer status. As a registered enterprise, FG Hydro was entitled to certain tax and non-tax incentives which include, among others, ITH for six (6) years commencing on April 13, 2007. On October 2, 2013, the BOI approved FG Hydro's application for an ITH extension by granting it another year or until April 12, 2014. On February 22, 2017, the DOE approved FG Hydro's application for registration as an RE Developer and signed the RE Contract with FG Hydro for PAHEP. On February 27, 2017, the RE Contract for MAHEP was also signed by FG Hydro and the DOE. As a result, FG Hydro is now subject to 10% statutory income tax rate on its RE operations as a RE Developer in 2017.
- h. On February 8, 2019, EDC Siklab was granted with an ITH incentive by the BOI covering its 1.03 MW Gaisano La Paz Solar Rooftop Project in Iloilo, effective for seven (7)-year period beginning in March 26, 2017. On March 25, 2024, the ITH entitlement for the entire project expired.
- i. On June 24, 2021, the Parent Company was granted with an ITH incentive by the BOI covering its 3.6 MW Mindanao 3 (M3 Binary) Geothermal Project in North Cotabato, effective for a seven (7)-year period beginning in March 2022 until March 2029.
- j. On August 1, 2024, the Parent Company was registered as an Operator of 10 MW Battery Energy Storage System in Kananga, Leyte (Tongonan ESS). As of December 31, 2024, Tongonan ESS is still being constructed and has not yet started its commercial operations.
- k. On December 27, 2024, the Parent Company was registered as an Operator of 10 MW Southern Negros Energy Storage System in Valencia, Negros Oriental (Southern Negros ESS). As of December 31, 2024, Southern Negros ESS is still being constructed and has not yet started its commercial operations.
- l. On December 27, 2024, the Parent Company was registered as an Operator of 20 MW Bac-Man Energy Storage System in Manito, Albay (Bac-Man ESS). As of December 31, 2024, Bac-Man ESS is still being constructed and has not yet started its commercial operations.
- m. The Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalization of the global economy. The Pillar Two model rules apply to constituent entities that are members of a multinational enterprise (MNE) Group that has annual revenue of €750 million or more in the consolidated financial statements of



the ultimate parent entity (UPE) in at least two of the four fiscal years immediately preceding the tested fiscal year.

PAS 12 is amended to require that entities shall disclose separately its current tax expense/income related to Pillar Two income taxes, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after January 1, 2023.

The Group has yet to implement BEPS 2.0 Pillar Two because the Group's entities are operating in jurisdiction/s (Philippines) wherein the legislation has not yet been enacted or substantially enacted as of December 31, 2024. However, the Group has consolidated annual revenues exceeding the threshold amount of €750 million. With this, once the jurisdiction/s have enacted the legislation, the Group will implement Pillar Two model rules and perform a detailed impact assessment to disclose reasonably estimate information that helps users of consolidated financial statements to understand the Group's exposure to Pillar Two income taxes in the Group annual consolidated financial statements.

30. Basic/Diluted Earnings Per Share

The basic/diluted earnings per share amounts were computed as follows:

	2024	2023	2022
Net income attributable to equity holders of the Parent Company	₱9,124,256,720	₱14,267,180,431	₱10,979,385,739
Less dividends on preferred shares (Note 19)	293,500,000	293,500,000	293,500,000
(a) Net income attributable to common shareholders of the Parent Company	8,830,756,720	13,973,680,431	10,685,885,739
(b) Weighted average number of common shares outstanding	17,033.54	17,041.57	17,041.62
Basic/diluted earnings per share (a/b)	₱518,433.42	₱819,975.99	₱627,046.44

The Parent Company does not have any dilutive potential common shares as at December 31, 2024, 2023 and 2022.

The weighted average number of common shares outstanding for the years ended December 31, 2024, 2023 and 2022, have retrospectively considered the effect of the reverse stock split approved by the SEC on December 29, 2023.

31. Financial Risk Management Objectives and Policies

The Group's financial instruments consist mainly of cash and cash equivalents, trade receivables, financial assets at FVPL and FVOCI, derivative asset and liability, trade payables, long-term debts, and lease liabilities. The main purpose of these financial instruments is to finance the Group's operations and accordingly manage its exposure to financial risks. The Group has various other financial assets and liabilities such as short-term investments, other receivables, other payables and due to/from related parties, which arise directly from operations.



Financial Risk Management Policy

The main financial risks arising from the Group's financial instruments are credit risk, foreign currency risk, interest rate risk, and liquidity risk. The Group's policies for managing the aforementioned risks are summarized hereinafter below.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

The Group's geothermal and power generation business trades with one key customer, TransCo, a government-owned-and-controlled corporation. Any failure on the part of TransCo to pay its obligations to the Group would significantly affect the Group's business operations. As a practice, the Group monitors closely its collections from TransCo and may charge interest on delayed payments following the provision of the REPA. Other customers include distribution utilities, electric cooperatives, industrial customers, and contestable customers. Credit risk is controlled by the application of credit approval limit and monitoring procedures. It is the Group's policy to enter into credit-worthy parties to mitigate any significant concentration of credit risk. Trade receivables balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant. The maximum exposure of trade receivable is equal to its carrying amount.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix for the years ended December 31, 2024 and 2023:

2024

	Trade receivables						Total
	Days past due					Credit Impaired	
	Current	<30 days	30-60 days	61-90 days	>90 days		
(In Thousand Pesos)							
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.9%	100.0%	15.1%
Estimated total gross carrying amount at default (Note 7)	₱3,713,796	₱174,932	₱80,363	₱24,852	₱2,220,007	₱1,082,389	₱7,296,339
Expected credit loss	—	—	—	—	19,793	1,082,389	1,102,182

2023

	Trade receivables						
	Days past due						
	Current	<30 days	30-60 days	61-90 days	>90 days	Credit Impaired	Total
	(In Thousand Pesos)						
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	2.0%	100.0%	14.9%
Estimated total gross carrying amount at default (Note 7)	₱3,953,076	₱873,352	₱55,077	₱56,731	₱987,687	₱1,012,370	₱6,938,293
Expected credit loss	—	—	—	—	19,793	1,012,370	1,032,163

Financial instruments and cash deposits

With respect to the credit risk arising from other financial assets of the Group, which comprise of cash and cash equivalents excluding cash on hand, financial asset at FVPL, short-term investments, other receivables, financial assets at FVOCI, and due from related party, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying



amount of these instruments. Credit risk from these instruments is mitigated by the short-term and/or liquid nature of its cash investments mainly in bank deposits and placements, which are placed with financial institutions and entities of high credit standing.

Credit Quality of Financial Assets

Financial assets are classified as high grade if the counterparties are not expected to default in settling their obligations. Thus, the credit risk exposure is minimal. These counterparties normally include customers, banks and related parties who pay on or before due date. Financial assets are classified as a standard grade if the counterparties settle their obligation with the Group with tolerable delays. Low grade accounts are accounts, which have probability of impairment based on historical trend.

These accounts show propensity of default in payment despite regular follow-up actions and extended payment terms. As of December 31, 2024 and 2023, financial assets categorized as neither past due nor impaired are viewed by management as high grade, considering the collectibility of the receivables and the credit history of the counterparties. Meanwhile, past due but not impaired financial assets are classified as standard grade.

Concentration of Credit Risk

The Group's exposure to concentration of credit risk arises from the default of the counterparties, with a maximum exposure equal to the carrying amount of the receivables from TransCo.

The table below shows the risk exposure in respect to credit concentration of the Group as of December 31, 2024 and 2023:

	2024	2023
Trade receivables from TransCo (Notes 7 and 15)	₱3,915,817,441	₱4,099,536,885
Total receivables	8,699,652,922	8,432,430,626
Credit concentration percentage	45.01%	48.62%

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's exposure to foreign currency risk is mainly from the financial assets and liabilities that are denominated in US dollar (US\$). This primarily arises from future payments of foreign currency-denominated loans and other commercial transactions and the Group's investment in ROP Bonds.

The Group's exposure to foreign currency risk to some degree is mitigated by some provisions in the Group's GRESCs, SSAs, PPAs and REPA. The service contracts allow full cost recovery while the sales contracts include billing adjustments covering the movements in Philippine peso and the US\$ rates, US Price and Consumer Indices, and other inflation factors.

To mitigate further the effects of foreign currency risk, the Group will prepay, refinance or hedge its foreign currency denominated loans, whenever deemed feasible. The Group also enters into derivative contracts to mitigate foreign currency risk.



The Group's foreign currency-denominated financial assets and liabilities (translated into Philippine peso) as of December 31, 2024 and 2023 are as follows:

	2024													
	Original Currency													
	US\$	Japanese Yen (JP¥)	Euro	New Zealand Dollar (NZD)	Indonesian Rupiah (IDR)	Australian Dollar (AUD)	Chilean Peso (CHP)	British Pound (GBP)	Singapore Dollar (SGD)	Sweden Kroner (SEK)	Peruvian Sol (PEN)	Hongkong Dollar (HKD)	Omani Rial (OMR)	Peso Equivalent ¹
Financial Assets														
Loans and receivables	77,107,456	–	–	–	–	–	–	–	–	–	–	–	–	₱4,460,263,415
Cash equivalents	19,286,560	1,136,712,856	–	–	6,269,673,815	–	94,500,015	–	–	–	27,112	–	–	1,618,581,211
Cash on hand and in banks	18,471	–	–	–	–	–	–	–	–	–	–	–	–	1,068,436
Derivative assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total financial assets	96,412,187	1,136,712,856	–	–	6,269,673,815	–	94,500,015	–	–	–	27,112	–	–	₱6,079,913,062
Financial Liabilities														
Liabilities at amortized cost:														
Accounts payable	86,223,716	490,156,690	3,270,630	709,386	–	265,516	–	44,532	73,067	206,405	–	5,962	269	₱5,430,237,731
Long-term debt	226,994,697	–	–	–	–	–	–	–	–	–	–	–	–	13,130,508,260
Accrued interest on long-term debts	1,292,954	–	–	–	–	–	–	–	–	–	–	–	–	74,790,918
Total financial liabilities	314,511,367	490,156,690	3,270,630	709,386	–	265,516	–	44,532	73,067	206,405	–	5,962	269	₱18,635,536,909

¹ US\$= ₱57,8450, JP¥1= ₱0,4174, SGD1= ₱42,6919, SEK1= ₱5,563, NZD1= ₱33,6213, CHF1= ₱0,0582, PEN1= ₱15,4093, Euro1= ₱60,4738, IDR1= ₱0,0036, HKD1= ₱7,4684, GBP1= ₱72,6799, AUD1= ₱36,0847, OMR1= ₱150,2409 as of December 31, 2024 (see Note 26)

2023													
	Original Currency												
	Indonesian Rupiah (IDR)	US\$	Japanese Yen (JP¥)	Singapore Dollar (SGD)	Sweden Kroner (SEK)	New Zealand Dollar (NZD)	Euro	Hongkong Dollar (HKD)	British Pound (GBP)	Chilean Peso (CHP)	Peruvian Sol (PEN)	Canadian Dollar (CAD)	Australian Dollar (AUD)
Financial Assets													
Loans and receivables	–	31,508,198	–	–	–	–	–	–	–	–	–	–	–
Cash equivalents	3,904,385,763	7,882,923	48,300,419	–	–	–	–	–	–	42,655,946	125,716	–	–
Cash on hand and in banks	–	4,836,613	–	–	–	–	–	–	–	–	–	–	–
Derivative assets	–	–	–	–	–	–	–	–	–	–	–	–	–
Total financial assets	3,904,385,763	44,227,734	48,300,419	–	–	–	–	–	–	42,655,946	125,716	–	–
Financial Liabilities													
Liabilities at amortized cost:													
Accounts payable	–	45,208,354	545,301,522	80,235	206,405	898,801	9,633,102	5,962	33,032	126,755	–	4,166	311,965
Long-term debt	–	144,732,345	–	–	–	–	–	–	–	–	–	–	–
Accrued interest on long-term debts	–	1,028,477	–	–	–	–	–	–	–	–	–	–	–
Total financial liabilities	–	190,969,176	545,301,522	80,235	206,405	898,801	9,633,102	5,962	33,032	126,755	–	4,166	311,965

¹ US\$= ₱55,3700, JP¥1= ₱0,4174, SGD1= ₱42,0898, SEK1= ₱5,5636, NZD1= ₱35,1739, CHF1= ₱0,0630, PEN1= ₱14,9487, Euro1= ₱61,4738, IDR1= ₱0,0036, HKD1= ₱7,1121, GBP1= ₱70,7590, CAD1= ₱42,0039, AUD1= ₱37,9467 as of December 31, 2023 (see Note 26)



The following tables demonstrate the sensitivity to a reasonably possible change in the foreign currency exchange rates applicable to the Group, with all other variables held constant, of the Group's income (loss) before income tax and equity for the years ended December 31, 2024 and 2023. The impact on the Group's income before income tax is due to revaluation of monetary assets and monetary liabilities.

2024			
	Foreign Currency Appreciates (Depreciates) By	Effect on Income Before Income Tax	Effect on Equity
USD	10% or ₱5.78450 (10% or ₱5.78450)	(₱1,261,701,559) 1,261,701,559	₱— —
JPY	10% or ₱0.04174 (10% or ₱0.04174)	26,987,254 (26,987,254)	— —
Euro	10% or ₱6.04738 (10% or ₱6.04738)	(19,778,742) 19,778,742	— —
NZD	10% or ₱3.26213 (10% or ₱3.26213)	(2,314,109) 2,314,109	— —
IDR	10% or ₱0.00036 (10% or ₱0.00036)	2,257,083 (2,257,083)	— —
AUD	10% or ₱3.60847 (10% or ₱3.60847)	(958,106) 958,106	— —
CHP	10% or ₱0.00582 (10% or ₱0.00582)	549,762 (549,762)	— —
GBP	10% or ₱7.26799 (10% or ₱7.26799)	(323,662) 323,662	— —
SGD	10% or ₱0.4.26919 (10% or ₱4.26919)	(311,937) 311,937	— —
SEK	10% or ₱0.52563 (10% or ₱0.52563)	(108,493) 108,493	— —
PEN	10% or ₱1.54093 (10% or ₱1.54093)	41,777 (41,777)	— —
HKD	10% or ₱0.74684 (10% or ₱0.74684)	(4,453) 4,453	— —
OMR	10% or ₱15.02409 (10% or ₱15.02409)	(4,044) 4,044	— —
2023			
	Foreign Currency Appreciates (Depreciates) By	Effect on Income Before Income Tax	Effect on Equity
USD	10% or ₱5.5370 (10% or ₱5.5370)	(₱839,287,688) 839,287,688	₱— —
Euro	10% or ₱6.14738 (10% or ₱6.14738)	(59,218,339) 59,218,339	— —
JPY	10% or ₱0.04174 (10% or ₱0.04174)	(20,744,826) 20,744,826	— —
NZD	10% or ₱3.51738 (10% or ₱3.51739)	(3,161,435) 3,161,435	— —
IDR	10% or ₱0.00036 (10% or ₱0.00036)	1,405,579 (1,405,579)	— —
AUD	10% or ₱3.79467 (10% or ₱3.79467)	(1,183,803) 1,183,803	— —
SGD	10% or ₱0.4.20898 (10% or ₱4.20898)	(337,706) 337,706	— —

(Forward)



2023			
	Foreign Currency Appreciates (Depreciates) By	Effect on Income Before Income Tax	Effect on Equity
CHP	10% or ₱0.00630 (10% or ₱0.00630)	₱267,950 (267,950)	₱— —
PEN	10% or ₱1.49487 (10% or ₱1.49487)	187,929 (187,929)	— —
GBP	10% or ₱0.55636 (10% or ₱0.55636)	(114,835) 114,835	— —
CAD	10% or ₱4.20039 (10% or ₱4.20039)	(17,500) 17,500	— —
HKD	10% or ₱0.71121 (10% or ₱0.71121)	(4,240) 4,240	— —

Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates, derivative assets, derivative liabilities and debt instruments at FVOCI. The interest rates of some of the Group's long-term borrowings and debt instruments at FVOCI are fixed at the inception of the loan agreement.

The Group regularly evaluates its interest rate risk by taking into account the cost of qualified borrowings being charged by its creditors. Prepayment, refinancing or hedging the risks are undertaken when deemed feasible and advantageous to the Group.

Interest Rate Risk Table

The following tables provide for the effective interest rates and interest payments by period of maturity of the Group's long-term debts:

		2024				
		Interest Rates	Within 1 Year	More than 1 Year up to 4 years	More than 4 Years up to 5 Years	More than 5 Years
						Total
<i>(In Thousand Pesos)</i>						
Floating Rate						
BDO						
▪	₱4.5 Billion Loan	4.25% until next repricing date in September 2025	₱123,346	₱230,164	₱34,236	₱14,650
▪	₱2.0 Billion Loan	4.25% until next repricing date in September 2025	54,820	102,295	15,216	6,511
US\$50 Million Mizuho Loan	5.45139% until next repricing date in March 2025		119,565	119,565	—	—
BPI ₱7.0 Billion Term Loan	6.6038% - 7.75% until next repricing date in March 2025		393,087	859,752	185,881	238,834
UBP ₱1.0 Billion Term Loan	5.831567% until next repricing date in March 2027		42,854	93,159	19,204	22,144
SBC ₱2.6 Billion Term Loan	5.7829% until next repricing date in April 2027		109,008	236,810	48,866	56,383
BDO ₱5.0 Billion Term Loan	6.7029% until next repricing date in March 2025		250,412	527,699	114,604	160,429
CBC ₱4.0 Billion Term Loan	6.1589% until next repricing date in October 2027		196,702	445,578	96,782	135,537
BDO ₱4.0 Billion Term Loan	6.6819% until next repricing date in March 2025		304,777	708,648	169,047	341,516

(Forward)



		2024				
		Interest Rates	Within 1 Year	More than 1 Year up to 4 years	More than 4 Years up to 5 Years	More than 5 Years
						Total
(In Thousand Pesos)						
BPI ₱3.0 Billion Term Loan	6.6381% until next repricing date in March 2025		₱198,940	₱514,862	₱132,273	₱323,385
BDO ₱3.0 Billion Term Loan	6.3220% until next repricing date in May 2025		188,878	454,283	112,246	268,471
CTBC US\$50 Million Term Loan	5.43598% until next repricing date in June 2025		151,076	261,893	23,777	—
CBC ₱3.0 Billion Term Loan	6.5305% until next repricing date in June 2025		194,416	465,877	115,118	275,412
Mizuho US\$50 Million Term Loan	5.18598% until next repricing date in June 2025		144,112	249,792	22,678	—
BDO ₱2.7 Billion Term Loan	6.5889% until next repricing date in June 2025		3,104	8,053	2,054	4,944
Mizuho US\$80 Million Term Loan	5.30318% until next repricing date in June 2025		4,206	10,930	2,976	—
2023						
		Interest Rates	Within 1 Year	More than 1 Year up to 4 years	More than 4 Years up to 5 Years	More than 5 Years
						Total
(In Thousand Pesos)						
Floating Rate Commercial Debt Facility	2% margin plus LIBOR		₱32,248	₱66,906	₱11,102	₱4,416
ECA Debt Facility	2.35% margin plus LIBOR		141,222	293,745	48,740	19,390
Commercial Debt Facility	2% + PDST-F rate		203,802	178,795	365,516	60,646
US\$50 Million Mizuho Loan	1.10% margin plus Term SOFR		184,941	275,807	—	—

The other financial instruments of the Group that are not included in the preceding table are not subject to interest rate repricing and are therefore not subject to interest rate volatility.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before income tax and equity as of December 31, 2024, and 2023. The impact on the Group's equity is due to changes in the fair value of debt instruments at FVOCI, and interest rate swaps designated as cash flow hedges.

2024			
Increase/Decrease in Basis Points	Effect on Income Before Income Tax	Effect on Equity	
		Change in Fair Value of FVOCI	Fair value adjustments on hedging transactions
+100	(₱112,883,526)	(₱8,851,067)	₱14,844,636
-100	112,883,526	8,951,475	(14,844,636)
2023			
Increase/Decrease in Basis Points	Effect on Income Before Income Tax	Effect on Equity	
		Change in Fair Value of FVOCI	Fair value adjustments on hedging transactions
+100	(₱109,995,088)	(₱6,398,925)	₱162,823,172
-100	109,995,088	6,175,145	(162,823,172)



The effect of changes in interest rates in equity pertains to the fair valuation of debt instruments at FVOCI and derivatives designated as cash flow hedges, and is exclusive of the impact of the changes affecting the Group's profit or loss.

Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and sourcing flexibility through the use of available financial instruments. The Group manages its liquidity profile to meet its working and capital expenditure requirements and service debt obligations. As part of the liquidity risk management program, the Group regularly evaluates and considers the maturity of both its financial investments and financial assets (i.e., trade receivables, other financial assets) and resorts to short-term borrowings whenever its available cash or matured placements is not enough to meet its daily working capital requirements. To ensure immediate availability of short-term borrowings, the Group maintains credit lines with banks on a continuing basis.

Liquidity risk arises primarily when the Group has difficulty collecting its receivables from its one key customer, TransCo. Other instances that contribute to its exposure to liquidity risk are when the Group finances long-term projects with internal cash generation and when there is credit crunch especially at times when the Group has temporary funding gaps.

The tables below show the maturity profile as of December 31, 2024 and 2023 of the Group's financial assets used for liquidity purposes based on contractual undiscounted cash flows, and financial liabilities based on contractual undiscounted payments:

	2024						
	On Demand	Less than 3 Months	3 to 6 Months	>6 to 12 Months	>1 to 5 Years	More than 5 Years	Total
	(In Thousand Pesos)						
Amortized cost:							
Cash and cash equivalents	₱6,624,701	₱6,954,738	₱—	₱—	₱—	₱—	₱13,579,439
Trade receivables	3,582,542	3,713,796	—	—	—	—	7,296,338
Due from related parties	58,388	—	—	—	—	—	58,388
Financial assets at FVPL	65,482	—	—	—	—	—	65,482
Derivative assets designated as cash flow hedges	1,068	—	—	—	—	—	1,068
Long-term receivables	—	—	—	—	1,025,477	—	1,025,477
Total	₱10,332,181	₱10,668,534	₱—	₱—	₱1,025,477	₱—	₱22,026,192
Liabilities at amortized cost:							
Accounts payable*	₱—	₱17,771,072	₱—	₱—	₱—	₱—	₱17,771,072
Accrued interest on long-term debts	—	539,761	281,250	—	—	—	821,011
Other payables**	—	424,551	—	—	—	—	424,551
Due to related parties	1,794	—	—	—	—	—	1,794
Long-term debts	—	3,804,022	3,808,390	5,969,609	56,182,137	23,907,381	93,671,539
Lease liabilities	—	296,482	217,524	432,119	2,955,417	2,472,902	6,374,444
Total	₱1,794	₱22,835,888	₱4,307,164	₱6,401,728	₱59,137,554	₱26,380,283	₱119,064,411

*Excluding statutory liabilities to the government.

**Excluding non-financial liabilities.



	2023						
	On Demand	Less than 3 Months	3 to 6 Months	>6 to 12 Months	>1 to 5 Years	More than 5 Years	Total
(In Thousand Pesos)							
Amortized cost:							
Cash and cash equivalents	₱5,727,422	₱11,693,591	₱—	₱—	₱—	₱—	₱17,421,013
Trade receivables	2,985,217	3,953,076	—	—	—	—	6,938,293
Due from related parties	41,709	—	—	—	—	—	41,709
Financial assets at FVPL	17,746	—	—	—	—	—	17,746
Derivative assets designated as cash flow hedges	—	—	15,941	18,393	233,469	—	267,803
Total	₱8,772,094	₱15,646,667	₱15,941	₱18,393	₱233,469	₱—	₱24,686,564
Liabilities at amortized cost:							
Accounts payable*	₱—	₱16,415,650	₱—	₱—	₱—	₱—	₱16,415,650
Accrued interest on long-term debts	—	423,506	201,304	—	—	—	624,810
Other payables**	—	781,695	—	—	—	—	781,695
Due to related parties	1,668	—	—	—	—	—	1,668
Long-term debts	—	2,208,884	4,399,716	3,892,360	32,622,385	16,046,509	59,169,854
Lease liabilities	—	77,210	28,699	59,891	146,862	—	312,662
Total	₱1,668	₱19,906,945	₱4,629,719	₱3,952,251	₱32,769,247	₱16,046,509	₱77,306,339

*Excluding statutory liabilities to the government.

**Excluding non-financial liabilities.

Financial Assets and Financial Liabilities

Set out below is a comparison of carrying amounts and fair values of the Group's financial instruments as of December 31, 2024 and 2023 other than those with carrying amounts that are reasonable approximations of fair values.

	2024		2023	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets				
Amortized cost:				
Long-term receivables	₱1,025,476,524	₱864,675,464	₱—	₱—
Deposits and special funds	484,961,353	484,066,114	322,595,577	320,267,648
	₱1,510,437,877	₱1,348,741,578	₱322,595,577	₱320,267,648
Financial Liabilities:				
Financial liabilities at amortized cost:				
Long-term debts	₱74,523,780,179	₱84,125,455,912	₱55,734,420,269	₱57,301,469,168
Lease liabilities	4,784,358,785	4,823,648,422	323,895,002	229,833,244
Customer deposits	148,021,283	132,092,085	154,621,477	138,138,552
	₱79,456,160,247	₱89,081,196,419	₱56,212,936,748	₱57,669,440,964

Due to their relatively short maturity, ranging from one to three months, the carrying amounts approximate the fair values for cash and cash equivalents, trade and other receivables, short-term investments, amounts due to related parties and trade and other payables.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are:

Long-term Receivables and Deposits and Special Funds

The fair value of long-term receivables was computed by discounting the expected cash flow using the applicable rate of 5.85% and 5.80% as of December 31, 2024, and 2023, respectively.

Financial Assets at FVOCI

Fair values of quoted debt and equity securities are based on quoted market prices and other observable data.



Financial Assets at Fair Value Through Profit or Loss

The fair values of financial assets at fair value through profit or loss are based on quotations provided by the investment manager.

Derivatives Designated as Cash Flow Hedges

The fair values of derivative instruments designated as cash flow hedges are based on quotations provided by the counterparty banks.

Long-term Debts

The fair values for the Group's long-term debts are estimated using the discounted cash flow methodology with the applicable rates ranging from 2.90% to 3.26% as of December 31, 2024, and 4.10% to 6.06% as of December 31, 2023.

Lease Liabilities

The fair values for the Group's lease liabilities are estimated using the discounted cash flow methodology with the applicable rates ranging from 6.65% to 7.23% and 6.50% to 6.99% as of December 31, 2024, and 2023, respectively.

The following tables show the fair value information of financial instruments classified under loans and receivables, financial assets at FVPL, financial assets at FVOCI, long-term debts, lease liabilities and derivatives designated as cash flow hedges and analyzed by sources of inputs on fair valuation as follows:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	2024			
	Total	Level 1	Level 2	Level 3
Financial Assets				
Loans and receivables:				
Long-term receivables	₱864,675,464	₱—	₱—	₱864,675,464
Deposits and special funds	484,066,114	—	—	484,066,114
Financial assets at FVPL	65,482,214	65,482,214	—	—
Financial assets at FVOCI:				
Debt investments	187,417,440	187,417,440	—	—
Equity investments	113,792,831	6,042,831	107,750,000	—
Derivative assets designated as cash flow hedges	1,068,436	—	1,068,436	—
Financial Liabilities				
Financial liabilities at amortized cost:				
Long-term debts	84,125,455,912	14,707,866,835	—	69,417,589,077
Lease liabilities	4,823,648,422	—	—	4,823,648,422
Customer deposits	132,092,085	—	—	132,092,085



	2023			
	Total	Level 1	Level 2	Level 3
Financial Assets				
Loans and receivables:				
Deposits and special funds	₱320,267,648	₱—	₱—	₱320,267,648
Financial assets at FVPL	17,745,812	17,745,812	—	—
Financial assets at FVOCI:				
Debt investments	187,172,510	187,172,510	—	—
Equity investments	101,812,572	6,062,572	95,750,000	—
Derivative assets designated as cash flow hedges	267,803,283	—	267,803,283	—
Financial Liabilities				
Financial liabilities at amortized cost:				
Long-term debts	57,301,469,168	4,882,043,402	—	52,419,425,766
Lease liabilities	229,833,244	—	—	229,833,244
Customer deposits	138,138,552	—	—	138,138,552

For the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

The Group classifies its financial instruments in the following categories.

	2024				
	Amortized Cost	Financial Assets at FVOCI	Financial Assets at FVPL	Derivatives Designated as Cash Flow Hedges	Total
	(In Thousands)				
Financial Assets					
Cash and cash equivalents	₱13,579,439	₱—	₱—	₱—	₱13,579,439
Trade receivables	6,194,157	—	—	—	6,194,157
Non-trade receivables	796,367	—	—	—	796,367
Deposits and special funds ¹	484,961	—	—	—	484,961
Loans and notes receivables	45,271	—	—	—	45,271
Advances to employees	30,513	—	—	—	30,513
Due from related parties	58,388	—	—	—	58,388
Short term investments	200,000	—	—	—	200,000
Long-term receivables	1,025,477	—	—	—	1,025,477
Financial assets at FVOCI:					
Debt investments	—	187,417	—	—	187,417
Equity investments	—	113,793	—	—	113,793
Financial assets at FVPL	—	—	65,482	—	65,482
Derivative assets	—	—	—	1,068	1,068
Total financial assets	₱22,414,573	₱301,210	₱65,482	₱1,068	₱22,782,333
Financial Liabilities					
Accounts payable ²	₱17,771,072	₱—	₱—	₱—	₱17,771,072
Accrued interest on long-term debts	821,011	—	—	—	821,011
Other payables ³	424,551	—	—	—	424,551
Due to related parties	1,794	—	—	—	1,794
Long-term debts	74,523,780	—	—	—	74,523,780
Lease liabilities	4,784,359	—	—	—	4,784,359
Customer deposits	148,021	—	—	—	148,021
Total financial liabilities	₱98,474,588	₱—	₱—	₱—	₱98,474,588

¹Includes current and non-current portion

²Excluding statutory liabilities to the Government

³Excluding non-financial liabilities



2023					
	Amortized Cost	Financial Assets at FVOCI	Financial Assets at FVPL	Derivatives Designated as Cash Flow Hedges	Total
(In Thousand Pesos)					
Financial Assets					
Cash and cash equivalents	₱17,421,013	₱—	₱—	₱—	₱17,421,013
Trade receivables	5,906,130	—	—	—	5,906,130
Non-trade receivables	891,745	—	—	—	891,745
Deposits and special funds ¹	322,596	—	—	—	322,596
Loans and notes receivables	45,346	—	—	—	45,346
Advances to employees	43,339	—	—	—	43,339
Due from related parties	41,709	—	—	—	41,709
Short term investments	3,360,111	—	—	—	3,360,111
Financial assets at FVOCI:					
Debt investments	—	187,173	—	—	187,173
Equity investments	—	101,812	—	—	101,812
Financial assets at FVPL	—	—	17,746	—	17,746
Derivative assets	—	—	—	267,803	267,803
Total financial assets	₱28,031,989	₱288,985	₱17,746	₱267,803	₱28,606,523
Financial Liabilities					
Accounts payable ²	₱16,415,651	₱—	₱—	₱—	₱16,415,651
Accrued interest on long-term debts	624,810	—	—	—	624,810
Other payables ³	781,695	—	—	—	781,695
Due to related parties	1,668	—	—	—	1,668
Long-term debts	55,734,420	—	—	—	55,734,420
Lease liabilities	323,895	—	—	—	323,895
Customer deposits	154,621	—	—	—	154,621
Total financial liabilities	₱74,036,760	₱—	₱—	₱—	₱74,036,760

¹Includes current and non-current portion

²Excluding statutory liabilities to the Government

³Excluding non-financial liabilities

The table below demonstrates the income, expense, gains or losses of the Group's financial instruments for the years ended December 31, 2024, 2023, and 2022:

	2024		2023		2022	
	Effect on Profit or Loss (Decrease)	Effect on Equity Increase (Decrease)	Effect on Profit or Loss Increase (Decrease)	Effect on Equity Increase (Decrease)	Effect on Profit or Loss Increase (Decrease)	Effect on Equity Increase (Decrease)
Amortized cost						
Interest income on:						
Cash and cash equivalents and other short-term investments (Notes 6, 11 and 25)	₱555,408,590	₱—	₱775,261,668	₱—	₱200,610,544	₱—
Provision for expected credit losses (Note 7)	(70,555,671)	—	(1,204,788)	—	(17,213,302)	—
	₱484,852,919	₱—	₱774,056,880	₱—	₱183,397,242	₱—
Financial assets at FVOCI						
Equity investments:						
Net income (loss) recognized	₱—	(₱11,980,259)	₱—	(₱19,050,270)	₱—	(₱24,206,428)
Debt investments:						
Net loss recognized in equity	—	(244,930)	—	11,907,435	—	20,899,368
	₱—	(₱12,225,189)	₱—	(₱7,142,835)	₱—	(₱3,307,060)
Financial assets at FVPL						
Gain on financial asset at FVPL	₱2,352,262	₱—	₱1,017,220	₱—	₱23,570,489	₱—
Derivatives designated as cash flow hedges						
Fair value adjustments on hedging transactions	₱—	(₱645,074,350)	₱—	(₱75,733,000)	₱—	₱660,623,158



	2024		2023		2022	
	Effect on Profit or Loss Increase (Decrease)	Effect on Equity Increase (Decrease)	Effect on Profit or Loss Increase (Decrease)	Effect on Equity Increase (Decrease)	Effect on Profit or Loss Increase (Decrease)	Effect on Equity Increase (Decrease)
Financial liabilities at amortized cost						
Interest expense on (Note 25):						
Long-term debts, including amortization of transaction costs	(P3,533,704,873)	P-	(P3,062,758,645)	P-	(P2,761,753,861)	P-
Lease liabilities	(10,180,592)	-	(12,126,255)	-	(16,758,684)	-
	(P3,543,885,465)	P-	(P3,074,884,900)	P-	(P2,778,512,545)	P-

Derivative Financial Instruments

The Group engages in derivative transactions, particularly foreign currency swaps, cross currency swaps, interest rate swaps and call spread swaps to manage its foreign currency risk and/or interest rate risk arising from its foreign-currency denominated loans. These derivatives are accounted for either as derivatives designated as accounting hedges or derivatives not designated as accounting hedges.

The table below shows the derivative financial instruments of the Group:

	2024		2023	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
Derivatives designated as accounting hedges				
Interest rate swaps	P1,068,436	P-	P267,803,283	P-
Total derivatives	P1,068,436	P-	P267,803,283	P-
Presented as:				
Current	P213,687	P-	P34,333,755	P-
Noncurrent	854,749	-	233,469,528	-
Total derivatives	P1,068,436	P-	P267,803,283	P-

Derivatives Designated as Accounting Hedges

Interest Rate Swap Contracts

In the last quarter of 2014, EBWPC entered into four (4) interest rate swaps (IRS) with aggregate notional amount of US\$150 million. This is to partially hedge the interest rate risks on its ECA and Commercial Debt Facility (Foreign Facility) that is benchmarked against SOFR and with flexible interest reset feature that allows EBWPC to select what interest reset frequency to apply (i.e., monthly, quarterly or semi-annually) [see Note 17]. As it is EBWPC's intention to reprice the interest rate on the Foreign facility semi-annually, EBWPC utilizes IRS with semi-annual interest payments and receipts. In the first quarter of 2016, EBWPC entered into three (3) IRS with aggregate notional amount of US\$30 million.

Under the IRS agreement, EBWPC will receive semi-annual interest of six (6)-month SOFR and will pay fixed interest. EBWPC designated the IRS as hedging instruments in cash flow hedge against the interest rate risks arising from the Foreign Facility.



Pertinent details of the IRS are as follows:

Notional amount (in million)	Trade Date	Effective Date	Maturity Date	Fixed rate	Variable rate
US\$36.3	10/20/14	12/15/14	10/23/29	2.635%	6-month SOFR
23.4	10/20/14	12/15/14	10/23/29	2.635%	6-month SOFR
22.8	10/20/14	12/15/14	10/23/29	2.635%	6-month SOFR
11.0	02/12/16	06/15/16	10/23/29	1.825%	6-month SOFR
5.3	12/11/14	12/15/14	10/23/29	2.508%	6-month SOFR
3.6	02/12/16	06/15/16	10/23/29	1.825%	6-month SOFR
3.6	02/12/16	06/15/16	10/23/29	1.825%	6-month SOFR

On October 23, 2024, EBWPC partially unwind its IRS contracts and on December 16, 2024 unwind the remaining contracts with Norddeutsche Landesbank Girozentrale, Australia and New Zealand Banking Group Ltd., and ING Bank N.V. This resulted in a gain amounting to ₱202.4 million (Note 27).

The maturity date of the seven (7) IRS coincides with the maturity date of the Foreign Facility. As of December 31, 2024 and 2023, the outstanding aggregate notional amount of EBWPC's IRS amounted to nil and US\$106.0 million, respectively. The aggregate fair value gains on these IRS amounted to ₱213.6 million and ₱3.6 million as of December 31, 2024, and 2023, respectively.

On December 12, 2024, EDC entered into an interest rate swap (IRS) with aggregate notional amount of US\$10 million. This is to partially hedge the interest rate risk on its Commercial Debt Facility (Foreign Facility) that is benchmarked against six (6)-month USD Term SOFR and with flexible interest reset feature that allows EDC to select what interest reset frequency to apply (i.e., monthly, quarterly or semi-annually) [see Note 17]. As it is EDC's intention to reprice the interest rate on the Foreign facility semi-annually, EDC utilizes IRS with semi-annual interest payments and receipts.

Under the IRS agreement, EDC will receive semi-annual interest of six (6)-month USD Term SOFR and will pay fixed interest. EDC designated the IRS as hedging instruments in cash flow hedge against the interest rate risks arising from the Foreign Facility.

Pertinent details of the IRS are as follows:

Notional amount (in million)	Trade Date	Effective Date	Maturity Date	Fixed rate	Variable rate
US\$10.0	12/13/2024	12/12/2024	12/12/2029	3.940%	6-month USD Term SOFR

The maturity date of the IRS coincides with the maturity date of the Foreign Facility. As of December 31, 2024, the outstanding aggregate notional amount of EDC's IRS amounted to US\$10.0 million. The aggregate fair value losses on these IRS amounted to ₱1.1 million as of December 31, 2024.

Hedge Effectiveness Results

As of December 31, 2024, and 2023, the fair value of the outstanding IRS amounted to ₱1.1 million and ₱267.8 million, respectively. Since the critical terms of the Foreign Facility and IRS match, the Group recognized the aggregate fair value changes on these IRS under "Fair Value Adjustment on Hedging Transactions" account in the consolidated statements of financial position.



The net movement of fair value changes made to “Fair value adjustments on hedging transactions” account for the Group’s cash flow hedges is as follows:

	2024	2023
Balances at beginning of year	(P3,594,339)	P72,138,661
Changes in fair value	(495,762,394)	117,824,574
	(499,356,733)	189,963,235
<i>Transferred to consolidated statements of income</i>		
Gain on unwinding of derivatives	202,397,116	—
Interest expense	154,386,099	(168,479,285)
	356,783,215	(168,479,285)
Balances before tax	(142,573,518)	21,483,950
Tax	(69,943,476)	(25,078,289)
Balances at end of year	(P212,516,994)	(P3,594,339)

Fair Value Changes of Derivatives

The table below summarizes the net movement in fair values of the Group’s derivatives as of December 31, 2024 and 2023.

	2024	2023
Balances at beginning of year	P267,803,283	P370,676,037
Net changes in fair value of derivatives		
designated as accounting hedges	(421,120,946)	65,606,531
Fair value of settled instruments		
designated as accounting hedges	154,386,099	(168,479,285)
Balances at end of year	P1,068,436	P267,803,283
Presented as:		
Derivative assets	P1,068,436	P267,803,283

Capital Management

The primary objective of the Group’s capital management is to ensure that it maintains a healthy capital ratio in order to comply with its financial loan covenants and support its business operations. Core capital includes long-term debt and equity.

The Group manages and makes adjustment to its capital structure as it deems necessary. To maintain or adjust its capital structure, the Group may increase the levels of capital contributions from its creditors and owners/shareholders through debt and new shares issuance, respectively. No significant changes have been made in the objectives, policies and processes of the Group in 2024, 2023 and 2022.

The Group monitors capital using the debt ratio, which is long-term debt divided by long-term debt plus equity. The Group’s policy is to keep the debt ratio at not more than 70%. The Group’s long-term debt include both the current and long-term portions of long-term debts. Equity includes all items presented in the equity section of the consolidated statements of financial position.



The table below shows the total capital considered by the Group and its debt ratio as of December 31, 2024 and 2023.

	2024	2023
Long-term debts	₱74,523,780,179	₱55,734,420,269
Total equity	85,284,767,556	83,372,816,935
Total	₱159,808,547,735	₱139,107,237,204
Debt ratio	46.63%	40.07%

As of December 31, 2024 and 2023, the Group was able to meet its capital management objectives.

32. Commitments and Contingencies

Stored Energy

In 1996 and 1997, the Parent Company entered into Addendum Agreements to the PPA related to the Unified Leyte power plants where any excess generation above the nominated energy or take-or-pay volume will be credited against payments made by NPC for the periods it was not able to accept electricity delivered by EDC (see Note 3).

Group as a Lessee

The Group has lease contracts for office, parking spaces, warehouses and rigs (see Note 20).

On February 14, 2020, the Parent Company entered into an agreement for the lease of office and parking space with Rockwell Land Corporation for a period of six (6) years effective from February 14, 2020 to June 30, 2026.

On July 1, 2020, the Parent Company entered into an agreement for the lease of office and parking space with Rockwell Land Corporation for a period of five (5) years effective from July 1, 2020 to June 30, 2025.

On March 5, 2022, the Parent Company entered into an agreement for the lease of office space with Rockwell Land Corporation for a period of five (5) years effective from March 5, 2022 to June 30, 2027.

On March 1, 2023, the Parent Company entered into an agreement for the lease of parking space with Rockwell Land Corporation for a period of four (4) years effective from March 1, 2023 to June 30, 2027.

On January 1, 2024, the Parent Company entered into an agreement for the lease of rig with Thermaprime for a period of five (5) years effective from January 1, 2024 to December 31, 2028.

On March 2, 2024, the Parent Company entered into an agreement for the lease of rig with Thermaprime for a period of five (5) years effective from March 2, 2024 to March 1, 2029.

On April 19, 2024, the Parent Company entered into an agreement for the lease of rig with Thermaprime for a period of five (5) years effective from April 19, 2024 to April 18, 2029 with option to extend by another five (5) years.



On June 19, 2024, the Parent Company entered into an agreement for the lease of rig with Thermaprime for a period of five (5) years effective from June 19, 2024 to June 18, 2029 with option to extend by another five (5) years.

On November 20, 2024, the Parent Company entered into an agreement for the lease of rig with Thermaprime for a period of five (5) years effective from November 20, 2024 to November 19, 2029 with option to extend by another five (5) years.

The Group also has certain leases of assets with lease term of 12 months or less and leases of low value assets. The Group applies the short-term lease and lease of low value assets recognition exemption for these leases.

Set out below are the carrying amounts and movements of lease liabilities:

	2024	2023
As at January 1	₱323,895,002	₱401,840,188
Additions (Note 12)	4,773,702,911	29,340,646
Interest on lease liability (Notes 25 and 31)	10,180,592	12,126,255
Adjustments / Reclass (Note 12)	149,384,955	24,235,224
Payments	(472,804,675)	(143,647,311)
As at December 31	4,784,358,785	323,895,002
Current	620,383,717	166,254,090
Noncurrent	₱4,163,975,068	₱157,640,912

The maturity analysis of lease liabilities is discussed in Note 31.

The following amounts are recognized in profit or loss:

	2024	2023
Depreciation expense for right-of-use assets (Note 12)	₱482,688,817	₱116,725,245
Expense relating to short-term leases and low value assets	292,523,480	174,955,903
Variable lease payments	32,889,980	20,167,331
Interest on lease liability (Note 25)	10,180,592	12,126,255
Total amount recognized in profit or loss	₱818,282,869	₱323,974,734

Purchase Commitments

Total purchase commitments as of December 31, 2024 and 2023 amounted to ₱5,874.3 million and ₱2,618.9 million, respectively. These are expected to be settled in the succeeding financial years.

Income from Insurance Claims

Property damages

In 2024, 2023 and 2022, the Company recognized income from insurance claims totaling to ₱130.5 million, ₱0.3 million, and ₱11.4 million, respectively, relating to property damages caused by calamities such as the Leyte earthquake, and numerous typhoons which include but are not limited to Typhoon Urduja and Typhoon Egay, as well as property claims due to damaged digital level, geared reducer, bellows and transformers (see Note 27).



Business interruptions and other claims

In 2024, 2023 and 2022, the Group recognized income from insurance claims totaling to ₱196.3 million, ₱747.3 million and ₱183.5 million, respectively, relating to business interruptions and other claims caused by calamities and various events, which include but are not limited to Leyte earthquake, Typhoon Yolanda and machinery breakdowns of Mahanagdong Geothermal and Upper Mahiao power plants (see Note 27).

As of December 31, 2024 and 2023, outstanding insurance receivable amounted to ₱399.9 million and ₱587.8 million, respectively, which is included in “Non-trade accounts receivable” under “Trade and other receivables” (see Note 7).

Income from insurance claims are presented under “Miscellaneous income - net” in profit or loss.

Legal Claims

The Group is contingently liable for lawsuits or claims filed by third parties, including labor-related cases, which are pending decision by the courts, the outcomes of which are not presently determinable. In the opinion of management and its legal counsel, the eventual total liability from these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements (see Notes 3 and 18).

33. Geothermal Service Concession Contracts

Geothermal Service Contracts

Under P.D. 1442, all geothermal resources in public and/or private lands in the Philippines, whether found in, on or under the surface of dry lands, creeks, rivers, lakes, or other submerged lands within the waters of the Philippines, belong to the State, inalienable and imprescriptible, and their exploration, development and exploitation. Furthermore, the Government may enter into service contracts for the exploration, development and exploitation of geothermal resources in the Philippines.

Pursuant to P.D. 1442, the Parent Company had entered into the following Geothermal Service Contracts (GSCs) with the Government of the Republic of the Philippines (represented by the DOE) for the exploration, development and production of geothermal fluid for commercial utilization:

- a. Tongonan, Leyte, dated May 14, 1981
- b. Southern Negros, dated October 16, 1981
- c. Bac-Man, Sorsogon, dated October 16, 1981
- d. Mt. Apo, Kidapawan, Cotabato, dated March 24, 1992
- e. Northern Negros, dated March 24, 1994

The exploration period under the service contracts shall be five (5) years from the effective date, renewable for another two (2) years if the Parent Company has not been in default in its exploration, financial and other work commitments and obligations and has provided a work program for the extension period acceptable to the Government. Where geothermal resource in commercial quantity is discovered during the exploration period, the service contracts shall remain in force for the remainder of the exploration period or any extension thereof and for an additional period of 25 years thereafter, provided that, if the Parent Company has not been in default in its obligations under the contracts, the Government may grant an additional extension of 15 to 20 years.



Under P.D. 1442, the right granted by the Government to the Parent Company to explore, develop, and utilize the country's geothermal resource is subject to sharing of net proceeds with the Government. The net proceeds is what remains after deducting from the gross proceeds the allowable recoverable costs, which include development, production and operating costs. The allowable recoverable costs shall not exceed 90% of the gross proceeds. The Parent Company pays 60% of the net proceeds as government share and retains the remaining 40%. The 60% government share is comprised of government share and income taxes. The government share is split between the DOE (60%) and the LGUs (40%) where the project is located.

Geothermal Renewable Energy Service Contracts and Geothermal Operating Contracts

R.A. 9513, otherwise known as the Renewable Energy Act of 2008 (RE Law) and which became effective in January 2009, mandates the conversion of existing GSCs under P.D. 1442 into Geothermal Renewable Energy Service Contracts (GRESCs) so companies may avail of the incentives under the RE Law. Aside from the tax incentives, the significant terms of the service concessions under the GRESCs are similar to the GSCs except that the Parent Company has control over any significant residual interest over the steam fields, power plants and related facilities throughout the concession period and even after the concession period.

On September 10, 2009, the Parent Company was granted the Provisional Certificate of Registration as an RE Developer for the following existing projects: (1) GSC No. 01 - Tongonan, Leyte, (2) GSC No. 02 - Palinpinon, Negros Oriental, (3) GSC No. 03 - Bacon-Manito, Sorsogon/Albay, (4) GSC No. 04 - Mt. Apo, North Cotabato, and (5) GSC No. 06 - Northern Negros. With the receipt of the certificates of provisional registration as geothermal RE Developer, the fiscal incentives of the RE Law were availed of by the Parent Company retroactive from the effective date of such law on January 30, 2009. Fiscal incentives include, among others, change in the applicable corporate tax rate from 25% to 10% for RE-registered activities.

The GSCs were fully converted to GRESCs upon signing of the parties on October 23, 2009, thereby the Parent Company is now the holder of five (5) GRESCs and the corresponding DOE Certificate Registration as an RE Developer for the following geothermal projects:

1. GRESA 2009-10-001 for Tongonan Geothermal Project
2. GRESA 2009-10-002 for Southern Negros Geothermal Project
3. GRESA 2009-10-003 for Bacon-Manito Geothermal Project
4. GRESA 2009-10-004 for Mt. Apo Geothermal Project
5. GRESA 2009-10-005 for Northern Negros Geothermal Project

EDC also holds geothermal resource service contracts for the following prospect areas:

1. Mt. Zion 2 Geothermal Project (converted to the new RE contract template per DOE Department Circular No. DC2019-10-0013, with pre-development period expiring in 2028, twenty five (25)-year contract period expiring in 2040, renewable for another twenty five (25) years)
2. Amacan Geothermal Project (converted to the new RE contract template per DOE Department Circular No. DC2019-10-0013, with pre-development period expiring in 2025, 25-year contract period expiring in 2041, renewable for another 25 years)
3. Mainit-Sadanga Geothermal Project (with a seven-year pre-development period expiring in October 22, 2028, 25-year contract period expiring in 2046, renewable for another 25 years)
4. Mt. Sembrano Geothermal Power Project (with pre-development period expiring in 2030, 25-year contract period expiring in 2048, renewable for another 25 years)
5. Buguias-Tinoc Geothermal Power Project (with pre-development period expiring in 2030, 25-year contract period expiring in 2048, renewable for another 25 years)



Under the GRESCs, the Parent Company pays the government share equivalent to 1.5% of the gross income from the sale of geothermal steam produced and such other income incidental to and arising from generation, transmission, and sale of electric power generated from geothermal energy within the contract areas. Under the GRESCs, gross income derived from business is an amount equal to gross sales less sales returns, discounts and allowances, and cost of goods sold. Cost of goods sold includes all business expenses directly incurred to produce the steam used to generate power under a GRESC.

The RE Law also provides that the exclusive right to operate geothermal power plants shall be granted through a Renewable Energy Operating Contract with the Philippine Government through the DOE. On May 8, 2012, EDC, through its subsidiaries GCGI and BGI secured three (3) Geothermal Operating Contracts (GOCs), each with a 25-year contract period expiring in 2037 and renewable for another 25 years, covering the following power plant operations:

- 1) Tongonan Geothermal Power Plant under DOE Certificate of Registration
No. GOC 2012-04-038
- 2) Palinpinon Geothermal Power Plant under DOE Certificate of Registration
No. GOC 2012-04-037
- 3) Bacon-Manito Geothermal Power Plant under DOE Certificate of Registration
No. GOC 2012-04-039

Total outstanding government share and the related expense are shown in Notes 16 and 22 to the consolidated financial statements, respectively.

34. Wind Energy Service Contracts and Solar Energy Service Contracts

Wind Energy Service Contracts

On September 14, 2009, the Parent Company entered into WESC 2009-09-004 with the DOE granting the Parent Company the right to explore and develop the Burgos Wind Project for a period of 25 years from the effective date. The pre-development stage under the WESC shall be two (2) years extendible for another year if the Parent Company has not been in default in its exploration or work commitments and has provided a work program for the extension period upon confirmation by the DOE. Within the pre-development stage, the Parent Company shall undertake exploration, assessment and other studies of wind resources in the contract area. Upon declaration of commerciality, as confirmed by the DOE, the WESC shall remain in force for the balance of the 25-year period for the development/commercial stage.

The DOE shall approve the extension of the WESC for another 25 years under the same terms and conditions, provided the Parent Company is not in default of any material obligations under the contract and has submitted a written notice to the DOE for the extension of the contract not later than one (1) year prior to the expiration of the original 25-year period. Further, the WESC provides that all materials, equipment, plant and other installations erected or placed on the contract area by the Parent Company shall remain the property of the Parent Company throughout the term of the contract and after its termination.

On May 26, 2010, the Board of EDC approved the assignment and transfer to EBWPC of all the contracts, assets, permits and licenses relating to the establishment and operation of the Burgos Wind Power Project under DOE Certificate of Registration No. WESC 2009-09-004. On May 16, 2013, EBWPC was granted a Certificate of Confirmation of Commerciality by the DOE.



On May 9, 2012, the Board of Directors of EDC approved the assignment and transfer to EPWPC of all the contracts, assets, permits, and licenses relating to the establishment and operation of the Pagudpud Wind Project under DOE Certificate of Registration No. WESC 2010-02-040.

As of December 31, 2024, the Group holds 15 Wind Energy Service Contracts (“WESC”) with the DOE, each with a 25-year contract period. The WESCs cover the following:

Projects	DOE Certificates of Registration
1) 150 MW Wind Project in Burgos, Ilocos Norte	WESC 2009-09-004 (expiring in 2034)
2) 84 MW Wind Project in Pagudpud, Ilocos Norte	WESC 2010-02-040 (expiring in 2035)
3) Burgos 1 Wind Project in Burgos, Ilocos Norte*	WESC 2013-12-063 (expiring in 2038)
4) Burgos 2 Wind Project in Burgos, Ilocos Norte*	WESC 2013-12-064 (expiring in 2038)
5) Iloilo 1 Wind Project in Batad and San Dionisio, Iloilo	WESC 2014-07-078 (expiring in 2039)
6) Burgos 3 Wind Project in Burgos and Pasuquin, Ilocos Norte*	WESC 2015-09-085 (expiring in 2040)
7) Burgos 4 Wind Project in Burgos, Ilocos Norte**	WESC 2015-09-086 (expiring in 2040)
8) Ilocos Norte Wind Power Project in Burgos and Pasuquin, Ilocos Norte	WESC 2021-01-147 (expiring in 2046)
9) Pasuquin Wind Power Project in Pasuquin Ilocos Norte	WESC 2021-01-148 (expiring in 2046)
10) Guimaras Onshore Wind Project	WESC 2022-03-199 (expiring in 2047)
11) Guimaras 1 Offshore Wind Project	WESC 2022-05-202 (expiring in 2047)
12) Iloilo-Guimaras Offshore Wind Project	WESC 2022-05-203 (expiring in 2047)
13) Guimaras-Negros Occidental Offshore Wind Project	WESC 2022-05-204 (expiring in 2047)
14) Laguna 1 Onshore Wind Project	WESC 2022-10-224 (expiring in 2047)
15) Negros Occidental Offshore Wind Project	WESC 2022-10-225 (expiring in 2047)

*Surrendered WESCs on May 8, 2024

**Submitted request for the contract area amendment on May 8, 2024

Solar Energy Service Contracts

As of December 31, 2024, the Parent Company holds two (2) SESCOs with the DOE with a 25-year contract period. The SESCOs cover the following:

Projects	DOE Certificates of Registration
1) 6.82 MW Burgos Solar Project in Burgos, Ilocos Norte	SESC No. 2014-07-088 [expiring in 2039 and renewable for another twenty five (25) years]
2) Gaisano Iloilo, Iloilo City Solar Rooftop Project*	SESC No. 2016-11-352 [expiring in 2042 and renewable for another twenty five (25) years]

* SESC assigned to EDC Siklab Power Corporation

35. FG Hydro’s Contracts and Agreements

Operation and Maintenance Agreement (O&M Agreement)

The FG Hydro has an O&M Agreement with NIA, with the conformity of NPC. Under the O&M Agreement, NIA will manage, operate, maintain and rehabilitate the Non-Power Components of the PAHEP/MAHEP in consideration for a service fee based on actual cubic meter of water used by the FG Hydro for power generation.

The O&M Agreement is effective for a period of 25 years commencing on November 18, 2006 and renewable for another 25 years under the terms and conditions as may be mutually agreed upon by both parties.

Total service fees incurred amounted to ₱98.1 million, ₱117.8 million and ₱115.9 million in 2024, 2023 and 2022, respectively, and are included under the “Power plant operations and maintenance” account in the consolidated statements of income.



Memorandum of Agreement with Protected Area Management Board (MOA with PAMB)

PSALM entered into a MOA with PAMB on July 17, 2006. Under the MOA, PAMB granted the FG Hydro the right to use the Masiway land, where the MAHEP power plant is situated in consideration for an annual user's fee. The MOA will be effective for 25 years and renewable for a similar period subject to terms and conditions as may be mutually agreed upon by both parties.

By virtue of R.A. 7586 or the National Integrated Protected Areas System (NIPAS) Act of 1992 and as amended by RA 11038 or the Expanded NIPAS Act of 2018, Department of Environment and Natural Resources issued its implementing rules and regulations (IRR) under DENR Administrative Order 2019-05 dated May 30, 2019. The said IRR details the mandate for any existing agreements for a protected area, including the MOA for the Masiway land, to be converted to a Special Use Agreement in Protected Areas (SAPA). As of December 31, 2024, FG Hydro is coordinating with its local PAMB for the transition of its existing MOA to the prescribed SAPA.

The FG Hydro incurred annual user's fee amounting to ₱0.1 million in 2024, 2023 and 2022. The user's fee is included under the "Taxes and licenses" account in the consolidated statements of income.

Memorandum of Agreement with NGCP (MOA with NGCP)

FG Hydro entered into a MOA with NGCP on August 31, 2011 for the performance of services on the operation of the PAHEP 230 kV switchyard and its related appurtenances (Switchyard).

The MOA is effective for a period of five (5) years and renewable for another three (3) years under such terms as maybe agreed by both parties. The MOA with NGCP expired on August 31, 2016 after which the FG Hydro continued to perform services on the operation of the Switchyard until the signing of a new contract.

A new MOA, effective for a period of five (5) years upon signing by the parties, was signed with NGCP on January 20, 2020. The MOA is renewable for another three (3) years under such terms and conditions as may be agreed by the parties.

36. Vestas Operation and Maintenance Agreement

In March 2013, the EBWPC entered into an agreement with Vestas Wind Systems (Vestas) for the construction of its 87 MW Burgos Wind Project (Phase 1), located in the Municipality of Burgos, Ilocos Norte. The project comprises three components: (i) the establishment of a wind farm facility; (ii) a 115kV transmission line; and (iii) a substation adjacent to the wind farm.

On April 30, 2014, the EBWPC and Vestas have entered into another contract for the construction and installation of an additional 21 wind turbines (Phase 2), increasing the total generating capacity from 87 MW to 150 MW.

EBWPC will operate and maintain the wind farm under a 10-year operations and maintenance agreement with Vestas. The Vestas O&M contract is a service and energy-based availability agreement based on Vestas' Active Output Management 5000 product. The agreement is a full-scope maintenance contract covering both scheduled and unscheduled maintenance with an energy-based availability on the wind turbines. The agreement covers the wind turbines, wind farm electrical balance-of-plant systems, the wind turbine yaw back-up generators, and the Burgos substation as opposed to a traditional O&M contract that provides a guarantee that the turbines in a wind power plant are operational for a defined period of time on an annual basis (referred to as time-based



availability), the AOM 5000 model provides an energy-based guarantee, which encourages the contractor to ensure that the turbines are fully operational when the wind is blowing.

The 10-year contract expired on December 17, 2024, and was renewed for another 10 years, extending the agreement until December 17, 2034.

37. Renewable Energy Payment Agreement

Under Section 2.2 of the ERC Resolution No. 24, Series of 2013, *A Resolution Adopting the Guidelines on the Collection of the FIT Allowance (FIT-All) and the Disbursement of the FIT-All Fund* (the FIT-All Guidelines), all eligible renewable energy (RE) plant shall enter into a Renewable Energy Payment Agreement (REPA) with TransCo for the payment of the FIT.

Pursuant to the FIT-All Guidelines, EBWPC entered into a REPA with TransCo for its Burgos Wind Power Plants. The REPA became effective after all the documents enumerated in Section 3.1 of the REPA have been submitted to and certified complete by TransCo. Included in those required documents is the FIT COC issued by the ERC on April 13, 2015.

The ERC granted on April 13, 2015 the FIT COC for the Burgos Wind Project - Phase I and II, which specifies that the project is entitled to the FIT rate of ₱8.53 per kilowatt-hour (kWh), subject to adjustments as may be approved by the ERC, from November 11, 2014 to November 10, 2034.

Similarly, on April 24, 2015, the Parent Company entered into a REPA for its 4.16 MW Solar Power Plants with TransCo.

In accordance with the REPA, all actual RE generation from the commercial operations date (COD) until the effective date of the REPA (effective date) were billed to and collected from the Philippine Electricity Market Corporation (PEMC) at market price.

After the effective date of the REPA, billings for all actual RE generation have been submitted directly to and collected from TransCo at the applicable FIT rates as approved by the ERC. In addition, the actual FIT differential from the COD until the effective date were also billed to TransCo over the number of months which lapsed during that period.

FIT rate adjustments

On May 26, 2020, the ERC approved Resolution No. 06, Series of 2020 which approves and adopts FIT rate adjustments, for the years 2016, 2017, 2018, 2019 and 2020 using 2014 as the base year for the consumer price index and foreign exchange. The said resolution was published in a newspaper of general circulation on November 17, 2020 and became effective 15 days after. Accordingly, in 2020, the Group recognized additional revenue and long-term receivables computed on the FIT rate increment which will be recovered for a period of five (5) years starting January 1, 2021.

In the absence of the 2024 and 2023 ERC approved FIT rates, revenue in 2024 and 2023 were based on the lower between the 2020 ERC approved FIT rates, and 2024 and 2023 forecasted FIT rates.

Total FIT revenue adjustment recognized by the Group amounted to ₱288.5 million, ₱358.6 million, and ₱265.5 million, in 2024, 2023 and 2022, respectively.

As of December 31, 2024 and 2023, the noncurrent portion of the receivable from TransCo included in “Long-term receivables” under “Other noncurrent assets” amounted to ₱1,284.8 million and ₱1,374.5 million, respectively, while the current portion amounting to ₱509.1 million and



₱79.4 million, respectively, is included under “Trade and other receivables” (see Notes 7 and 15). Interest accretion on receivable from TransCo amounted to ₱28.2 million, ₱37.2 million and ₱36.9 million in 2024, 2023, and 2022, respectively (see Note 25).

38. Changes in Liabilities Arising from Financing Activities

	January 1, 2024	Cash flows	Foreign exchange movements	Others	December 31, 2024
Current and noncurrent portion of long-term debts (Note 17)	₱55,734,420,269	₱18,066,620,465	₱944,435,407	(₱221,695,962)	₱74,523,780,179
Accrued interest on long-term debts	624,810,038	(3,428,342,462)	–	3,624,543,699	821,011,275
Lease liability (Notes 20 and 32)	323,895,002	(472,804,675)	–	4,933,268,458	4,784,358,785
Dividends payable (Notes 16 and 19)	10,904,712	(7,298,400,000)	–	7,301,598,804	14,103,516
Total liabilities from financing activities	₱56,694,030,021	₱6,867,073,328	₱944,435,407	₱15,637,714,999	₱80,143,253,755

	January 1, 2023	Cash flows	Foreign exchange movements	Others	December 31, 2023
Current and noncurrent portion of long-term debts (Note 17)	₱53,301,611,618	₱2,335,203,618	₱245,551,301	(₱147,946,268)	₱55,734,420,269
Accrued interest on long-term debts	578,554,834	(2,920,280,324)	–	2,966,535,528	624,810,038
Lease liability (Notes 20 and 32)	401,840,188	(143,647,311)	–	65,702,125	323,895,002
Dividends payable (Notes 16 and 19)	11,813,526	(5,792,589,831)	–	5,791,681,017	10,904,712
Total liabilities from financing activities	₱54,293,820,166	(₱6,521,313,848)	₱245,551,301	₱8,675,972,402	₱56,694,030,021

Other includes effect of reclassification of noncurrent portion of long-term debts, amortization of debt issuance costs, declaration of dividends on preferred stocks that were not yet paid at the end of financial reporting date, and effect of accrued but not yet paid interest on long-term debts.

39. Events After the Financial Reporting Date

On January 21, 2025, EDC drew ₱2,000.0 million from its term loan facility with BDO.

On January 23, 2025, the Board of the Parent Company approved the declaration of special cash dividends to holders of common and preferred shares amounting to ₱4,200.0 million or ₱246,651.43 per share and ₱156.1 million or ₱16,650.67 per share, respectively, in favor of holders of record as of February 3, 2025. Cash dividends were paid on or before February 28, 2025.

On February 6, 2025, FG Hydro availed the term loans from BPI, BDO, and Rizal Commercial Banking Corporation amounting to ₱2,500.0 million, ₱2,500.0 million, and ₱2,000.0 million, respectively.

On February 10, 2025, FG Hydro entered into subscription agreement to subscribe 28,000,000 Series “H” preferred stocks of FGEN with a par value of ₱10 per share for a total subscription price of ₱2,800.0 million.

On February 26, 2025, EDC drew ₱2,000.0 million from its term loan facility with CBC.



EDC and EBWPC entered into various Call spread, Cross Currency Swap (CCS) and Interest Rate Swap (IRS) contracts to hedge its US dollar denominated long-term floating rate debts, as set out in detail below:

Company	Trade Date		Notional amount	Hedged Loans
EDC	January 2, 2025	Call spread	US\$5.0 million	CTBC US\$50.0 million
EDC	January 3, 2025	Call spread	5.0 million	CTBC US\$50.0 million
EDC	January 6, 2025	Call spread	10.0 million	Mizuho US\$50.0 million
EDC	February 14, 2025	Call spread	10.0 million	CTBC US\$50.0 million
EDC	February 14, 2025	Call spread	10.0 million	CTBC US\$50.0 million
EDC	February 14, 2025	Call spread	10.0 million	CTBC US\$50.0 million
EDC	February 26, 2025	CCS	10.0 million	Mizuho US\$50.0 million
EDC	February 26, 2025	CCS	10.0 million	Mizuho US\$50.0 million
EDC	February 26, 2025	IRS	10.0 million	CTBC US\$50.0 million
EDC	February 27, 2025	IRS	10.0 million	CTBC US\$50.0 million
EDC	February 28, 2025	IRS	10.0 million	CTBC US\$50.0 million
EDC	March 4, 2025	IRS	10.0 million	CTBC US\$50.0 million
EDC	March 4, 2025	CCS	10.0 million	Mizuho US\$50.0 million
EBWPC	March 4, 2025	IRS	10.0 million	Mizuho US\$80.0 million



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

Stockholders and The Board of Directors
Energy Development Corporation
Rockwell Business Center Tower 3
Ortigas Avenue, Pasig City, Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Energy Development Corporation (a subsidiary of Red Vulcan Holdings Corporation) and its subsidiaries (collectively referred to as the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, included in this Form 17-A and have issued our report thereon dated March 14, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore

Maria Veronica Andresa R. Pore

Partner

CPA Certificate No. 90349

Tax Identification No. 164-533-282

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-071-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465361, January 2, 2025, Makati City

March 14, 2025

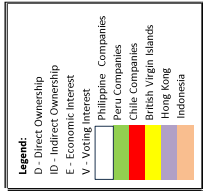


ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)
AND SUBSIDIARIES

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2024

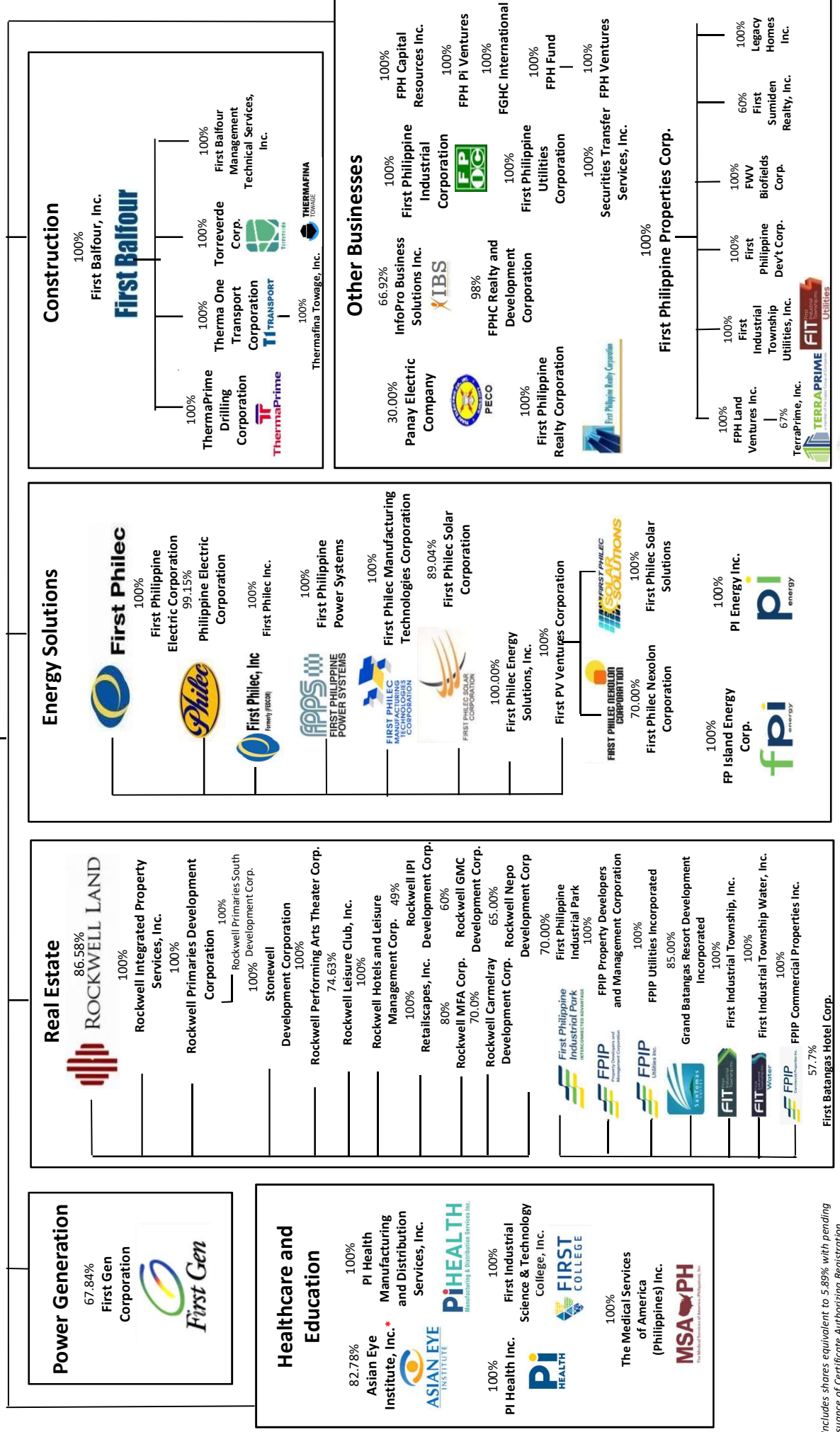
Schedule	Contents
<i>Index to the Consolidated Financial Statements</i>	
I	Map Showing the Relationships Between and Among the Companies in the Group, its Ultimate Parent Company and Co-subsiidiaries
II	Reconciliation of Retained Earnings Available for Dividend Declaration
<i>Supplementary Schedules by Annex 68-J</i>	
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related parties)
C	Amounts Receivable from Related Parties and Amounts Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
D	Long-Term Debt
E	Indebtedness to Related Parties
F	Guarantees of Securities of Other Issuers
G	Capital Stock

(As of December 31, 2024)



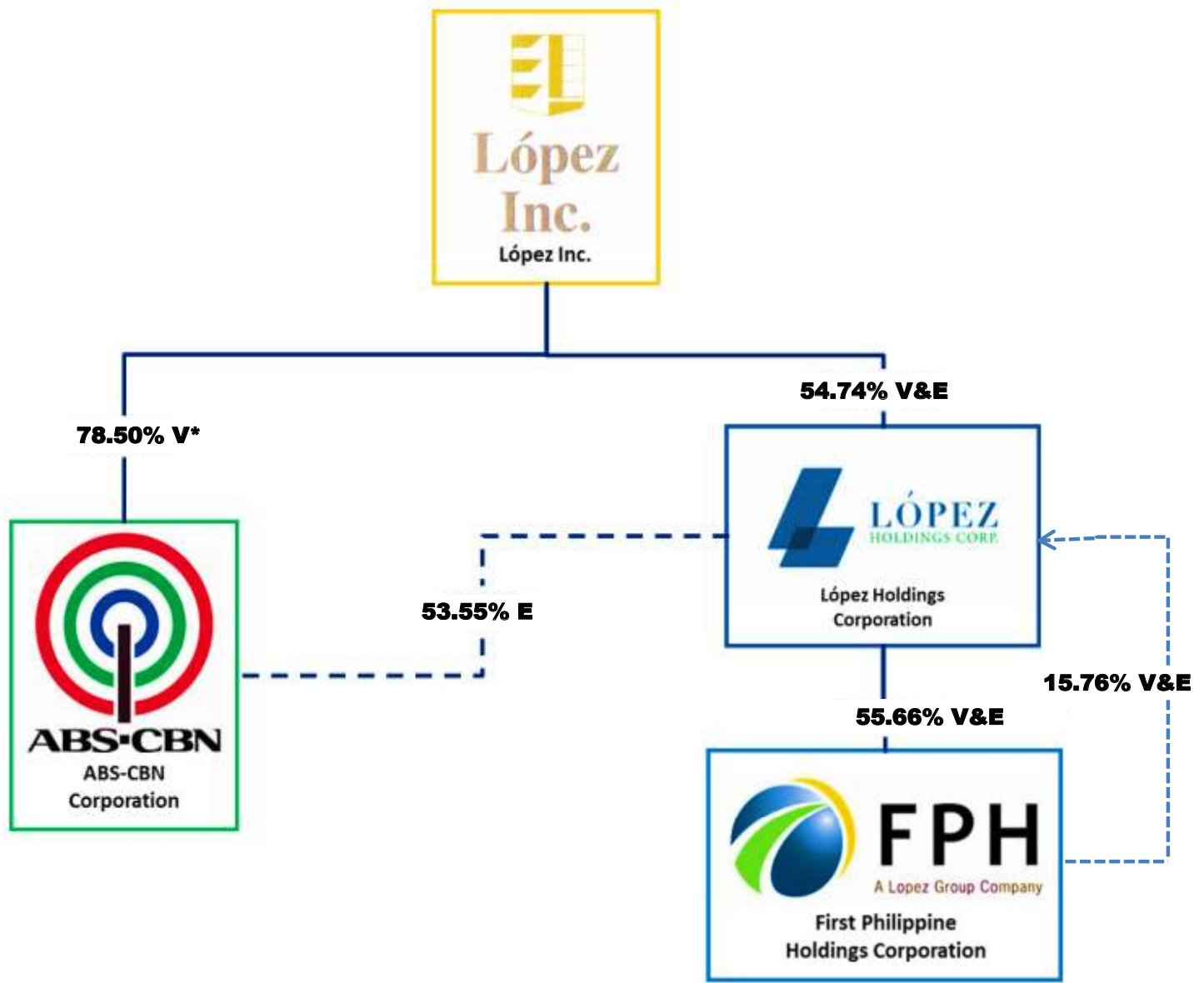
LÓPEZ
HOLDINGS CORP.


FPH
 A Lopez Group Company
POWERED BY GOOD



*Includes shares equivalent to 5.89% with pending issuance of Certificate Authorizing Registration.

LOPEZ HOLDINGS CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIP OF THE COMPANIES WITHIN THE GROUP
DECEMBER 31, 2024



* voting rights include preferred shares

ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2024

Unappropriated Retained Earnings, beginning of reporting period		₱3,852,324,211
Add: Category A: Items that are directly credited to		
Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	₱43,795,570,044	
Effect of restatements or prior-period adjustments	—	
Others: Transfer of Net accumulated unrealized loss on financial assets at FVOCI	3,143,242	43,798,713,286
Less: Category B: Items that are directly debited to		
Unappropriated Retained Earnings		
Dividend declaration during the reporting period	6,493,500,000	
Retained Earnings appropriated during the reporting period	35,000,000,000	
Effect of restatements or prior-period adjustments	—	
Others: Remeasurements of retirement and other post-employment benefits	21,349,883	41,514,849,883
Unappropriated Retained Earnings, as adjusted		6,136,187,614
Add/Less: Net income (loss) for the current year		6,793,423,103
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	—	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	122,057,913	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Unrealized fair value gain of Investment Property	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the (describe nature)	—	
Sub-total		122,057,913
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	115,168,648	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Realized fair value gain of Investment Property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards(describe nature)	—	
Sub-total		115,168,648

(Forward)

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	₱—
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Reversal of previously recorded fair value gain of Investment Property	—
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards, previously recorded (describe nature)	—
Sub-total	₱—
Adjusted Net Income (Loss)	6,786,533,838
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	—
Sub-total	—
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)	
Amortization of the effect of reporting relief	—
Total amount of reporting relief granted during the year	—
Others (describe nature)	—
Sub-total	—
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	(101,249,963)
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	396,678,921
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set up of service concession asset and concession payable	(411,716,812)
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—
Others (describe nature) / Misc G/L - MktChg (RES/GEOP)	—
Sub-total	(116,287,854)
Total Retained Earnings, end of the reporting period available for dividend	₱12,806,433,598

ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

SCHEDULE A - Financial Assets

As of December 31, 2024

FINANCIAL ASSETS	Name of issuing entity & association of each use	Amount shown in the balance sheet	Income received and accrued
Loans and receivables:			
Cash and cash equivalents	N/A	13,579,439,221	555,408,591
Trade Receivables	N/A	6,194,157,037	28,165,091
Non-trade Accounts Receivables	N/A	796,366,706	
Deposits and special funds	N/A	484,961,353	
Loans and notes receivables	N/A	45,270,720	
Advances to employees	N/A	30,513,186	
Due from related parties	N/A	58,387,506	
Short Term Investment	N/A	200,000,000	
Long term receivables	N/A	1,025,476,524	
Financial assets at FVOCI			
Debt investments	RCBC Retail Treasury Bonds	162,929,940	
Debt investments	BDP Fixed Rate Treasury Note	24,487,500	
Equity Investments	Wack Wack Golf & Country Club Share	85,000,000	
Equity Investments	Alabang Country Club Share	16,000,000	
Equity Investments	Baguio Country Club Share	6,000,000	
Equity Investments	Club Filipino Share	300,000	
Equity Investments	Metropolitan Club Share	250,000	
Equity Investments	Petron Corp.	42,832	
Equity Investments	Capitol Hills Golf & Country Club Share	200,000	
Equity Investments	Investment in proprietary club membership	6,000,000	
Financial asset at FVPL	BDO Peso Money Market Fund	1,190,934	5,152,505
	Sun Life Investment Management Money Market Fund	51,667,328	
	Investment Management Agreement	12,623,952	
Derivative Assets	N/A	1,068,436	
TOTAL		22,782,333,175	588,726,187

ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

SCHEDULE B - Amounts Receivable from Directors, Officers, Employees and Principal Stockholders

(Other than Related Parties)

As of December 31, 2024

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Accounts Written-off	Current	Not Current	Balance at End of Period
Employees	97,331,722		(12,901,343)		84,430,379	-	84,430,379
Directors							
TOTAL							

Note: The Company keeps the information on the name & designation of employees and other details confidential. As per written agreement with the concerned employees, any outstanding balance at the time of retirement shall be deducted from the retirement benefit proceeds.

ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES
SCHEDULE C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
As of December 31, 2024

Name of Subsidiary	Balance at January 1, 2024	Additions	Amounts Collected	Offsetting	Reclassification	Cumulative Translation Adjustment / Foreign Exchange	Current	Non-Current	Amount Eliminated
Energy Development Corporation									
Bac-Man Energy Development Corporation	195,555	18,607	-	-	-	-	214,161	-	214,161
Bac-Man Geothermal Inc.	-	20,652,606	-	(20,652,606)	-	-	-	-	-
EDC Burgos Wind Power Corporation	93,254	3,979,054	-	(8,000)	-	-	4,064,308	-	4,064,308
EDC Geotermica Chile S.P.A.	18,127,823	-	-	(123,942)	-	-	18,003,881	-	18,003,881
EDC Hong Kong International Limited	362,820	58,502	-	-	-	-	421,322	-	421,322
EDC Hong Kong Limited	62,790	16,310	-	-	-	-	79,099	-	79,099
EDC Geothermal Corp.	4,685,342	18,537	-	-	-	-	4,703,879	-	4,703,879
EDC Sinag Iloilo Power Corporation	-	-	-	-	-	-	-	-	-
EDC Pagudpud Wind Power Corporation	4,196,395	30,133	-	-	-	-	4,226,527	-	4,226,527
EDC Wind Energy Holdings Inc.	637,511,812	17,932	-	-	-	-	637,529,744	-	637,529,744
First Gen Hydrdo Power Corporation	-	-	-	-	-	-	-	-	-
EDC Siklab Iloilo Power Corporation	-	12,471,185	-	(12,223,764)	-	-	247,421	-	247,421
PT EDC Indonesia	2,801,024	-	-	-	-	-	2,801,024	-	2,801,024
Southern Negros Geothermal, Inc.	-	-	-	-	-	-	-	-	-
Unified Leyte Geothermal Energy Inc.	-	-	-	-	-	-	-	-	-
EDC Geotermica Peru S.A.C.	-	-	-	-	-	-	-	-	-
EDC Chile Limitada	-	-	-	-	-	-	-	-	-
EDC Bright Solar Energy Holdings, Inc.	743,562	24,913	-	-	-	-	768,475	-	768,475
EDC Siklab Power Corporation	331,171	(330,801)	-	(370)	-	-	-	-	-
EDC Cleansolar Visayas Power Corporation	-	-	-	-	-	-	-	-	-
EDC Bayog Burgos Wind Power Corporation	237,711	25,628	-	-	-	-	263,339	-	263,339
EDC Pagali Burgos Wind Power Corporation	237,941	28,223	-	-	-	-	266,164	-	266,164
EDC Sinag Power Corporation	241,830	27,578	-	-	-	-	269,408	-	269,408
Iloilo 1 Renewable Energy Corporation	190,334	28,223	-	-	-	-	218,557	-	218,557
Matnog 1 Renewable Energy Corporation	-	-	-	-	-	-	-	-	-
Matnog 2 Renewable Energy Corporation	-	-	-	-	-	-	-	-	-
Matnog 3 Renewable Energy Corporation	-	-	-	-	-	-	-	-	-
Negros 1 Renewable Energy Corporation	-	-	-	-	-	-	-	-	-
EDC Wind Energy Holdings Inc. 2	-	-	-	-	-	-	-	-	-
Burgos 3 Renewable Energy Corporation	-	-	-	-	-	-	-	-	-
Burgos 4 Renewable Energy Corporation	-	-	-	-	-	-	-	-	-
Calaca Renewable Corporation	-	-	-	-	-	-	-	-	-
EDC Hong Kong International Investments Limited	1,248,239	609,697	-	236,424	-	-	2,094,360	-	2,094,360
EDC Chile Limitada									
EDC Geotermica SPA	28,201,413	-	-	-	-	(2,162,278)	26,039,135	-	26,039,135
EDC Chile Holdings SPA	4,616,509	814,056	-	-	-	(353,960)	5,076,605	-	5,076,605
EDC Geothermal Corp.									
Unified Leyte Geothermal Energy Inc.	-	-	-	-	-	-	-	-	-
Bac-Man Energy Development Corporation	1,000	-	-	-	-	-	1,000	-	1,000
Green Core Geothermal Inc.									
Bac-Man Geothermal Inc.	6,167	(6,167)	-	-	-	-	-	-	-
Energy Development Corporation	16,744,223	(4,520,459)	-	(12,223,764)	-	-	-	-	-
EDC Burgos Wind Power Corporation	-	-	-	-	-	-	-	-	-
Bac-Man Geothermal Inc.									
First Gen Hydrdo Power Corporation	38,961,357	12,223,100	-	(51,184,457)	-	-	-	-	-
Energy Development Corporation	43,405,126	(17,769,195)	-	(20,652,606)	-	-	4,983,324	-	4,983,324
Green Core Geothermal Inc.	-	6,347,145	-	(17,392)	-	-	6,329,753	-	6,329,753

ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES
SCHEDULE C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
As of December 31, 2024

Name of Subsidiary	Balance at January 1, 2024	Additions	Amounts Collected	Offsetting	Reclassification	Cumulative Translation Adjustment / Foreign Exchange	Current	Non-Current	Amount Eliminated
Unified Leste Geothermal Energy Inc. Energy Development Corporation	-	-	-	-	-	-	-	-	-
EDC Burgos Wind Power Corporation Energy Development Corporation	-	8,000	-	(8,000)	-	-	-	-	-
EDC Wind Energy Holdings Inc.	-	1,141	-	(5,939)	-	-	38,811	-	38,811
EDC Pagudpud Wind Power Corporation	43,609	-	-	-	-	-	-	-	-
EDC Bright Solar Energy Holdings, Inc. EDC Sinag Power Corporation	11,000	-	-	-	-	-	11,000	-	11,000
EDC Hong Kong Limited EDC Chile Limitada	105,961,380	-	-	-	-	-	105,961,380	-	105,961,380
EDC Geotermica SPA	26,864,500	-	-	-	-	-	26,864,500	-	26,864,500
PT EDC Indonesia	385,244,778	120,378,704	-	-	-	-	505,623,482	-	505,623,482
PT EDC Panas Bumi	12,285,234	5,752,750	-	-	-	-	18,037,984	-	18,037,984
PT EDC Indonesia PT EDC Panas Bumi	707,464	1,188,000	-	-	-	-	1,895,464	-	1,895,464
PT EDC Panas Bumi PT EDC Indonesia	1,143,377	-	-	-	-	-	1,143,377	-	1,143,377
EDC Chile Holdings SPA EDC Chile Limitada	609,202,965	26,802,783	-	-	-	(46,709,219)	589,296,529	-	589,296,529
EDC Geotermica SPA	1,630,661,081	42,946,958	-	-	-	(125,027,141)	1,548,580,897	-	1,548,580,897
EDC Geotermica SPA EDC Chile Limitada	39,993,218	953,858	(3,066,387)	-	-	-	37,880,690	-	37,880,690
EDC Peru Holdings EDC Energia Verde Peru S.A.C.	136,227,922	-	-	-	-	4,197,482	140,425,404	-	140,425,404
EDC Peru SAC	-	-	-	-	-	-	-	-	-
EDC Geotermica Del Sur	46,193	-	-	-	-	1,423	47,616	-	47,616
EDC Energia Azul	52,531	-	-	-	-	1,619	54,149	-	54,149
EDC Energia Peru	56,881	-	-	-	-	1,753	58,633	-	58,633
EDC Energia Geotermica	44,922	-	-	-	-	1,384	46,306	-	46,306
EDC Progreso Geotermico Peru SAC	52,755	-	-	-	-	1,625	54,381	-	54,381
EDC Energia Renovable	46,342	-	-	-	-	1,428	47,770	-	47,770
Geotermica Cruceo	4,911,542	-	-	-	-	151,335	5,062,877	-	5,062,877
Geotermica Tutupaca	11,419,596	-	-	-	-	351,863	11,771,459	-	11,771,459
Geotermica Loricota	281,993	-	-	-	-	8,689	290,682	-	290,682
EDC Energia Verde Peru S.A.C. Energy Development Corporation Peru S.A.C.	1,090,393	9,093	-	-	-	33,597	1,133,083	-	1,133,083
Energy Development Corporation Peru SAC EDC Energia Verde Peru S.A.C.	283,338,090	42,490	-	-	-	8,730,268	292,110,848	-	292,110,848
TOTAL	4,052,891,162	232,848,579	(3,066,387)	(116,864,416)	-	(160,770,131)	4,005,038,808	-	4,005,038,808

ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES
SCHEDULE D - Long-term Debt
As of December 31, 2024

Title of Issue and Type of Obligation	Amount Authorized by Indenture		Balance at December 31, 2024		Current Portion of Long-Term Debt		Long-Term Debt (Net of Current Portion)		Interest Rate	Amount and Number of Periodic Payments		Maturity Date								
	(In original currency)	(In PHP)	(In original currency)	(In PHP)	(In original currency)	(In PHP)	(In original currency)	(Approx in PHP)		(In original currency)	(Approx in PHP)									
Foreign Loans:																				
	US\$50 Million Mizhuo Loan	\$	50,000,000	2,616,500,000	\$	52.33	\$	49,946,458	2,889,465,719	\$	24,973,632	1,444,704,043	\$	25,000,000	52.33	1,308,250,000	2 bullet payments in March 2025	March 24, 2027		
	CTBC US\$50 Million Term Loan	\$	50,000,000	2,912,000,000	\$	58.24	\$	49,385,507	2,856,559,210	\$	9,797,257	\$	39,588,250	5.66074316	\$	5,000,000	58.24	291,200,000	10 semi-annual payments	December 12, 2029
	Mizhuo US\$50 Million Term Loan	\$	50,000,000	2,912,000,000	\$	58.24	\$	49,139,858	2,841,787,750	\$	9,714,644	\$	39,425,214	5.61708,946	\$	5,000,000	58.24	291,200,000	10 semi-annual payments	December 12, 2029
	Mizhuo US\$80 Million Term Loan	\$	80,000,000	4,704,800,000	\$	58.81	\$	78,522,872	4,542,155,556	\$	4,490,611	\$	74,032,261	2,597,759,418	\$	various	5.30318%	various	10 semi-annual payments	December 20, 2029
Domestic Loans:																				
	IFC 2 - P3.3 Billion	₱	3,262,500,000	3,262,500,000	₱	244,770,575	₱	244,770,575	244,770,575	₱	244,770,575	₱	-	-	₱	125,606,250	26 semi-annual payments	4.68% from April 16, 2021 until maturity	October 15, 2025	
	IFC 3 - P4.8 Billion	₱	4,804,000,000	4,804,000,000	₱	2,784,032,627	₱	2,784,032,627	324,712,700	₱	324,712,700	₱	2,459,319,927	2,459,319,927	₱	165,641,920	29 semi-annual payments	7.8048%	March 15, 2033	
	DBP PHP291.2M Term Loan	₱	291,200,000	291,200,000	₱	133,950,541	₱	22,272,385	22,272,385	₱	111,677,956	₱	111,677,956	599,619,551	₱	11,200,000	26 semi-annual payments	5.50%	December 17, 2030	
	UBP PHP1.5B Term Loan	₱	1,500,000,000	1,500,000,000	₱	899,005,427	₱	299,385,876	299,385,876	₱	599,619,551	₱	599,619,551	667,631,183	₱	various	20 semi-annual payments	5.25%	December 5, 2026	
	SBC PHP1.0B Term Loan	₱	1,000,000,000	1,000,000,000	₱	727,127,945	₱	59,496,762	59,496,762	₱	667,631,183	₱	667,631,183	864,083,880	₱	various	28 semi-annual payments	5.5788%	December 5, 2031	
	UBP PHP2.0B Term Loan	₱	2,000,000,000	2,000,000,000	₱	996,624,848	₱	132,540,968	132,540,968	₱	864,083,880	₱	864,083,880	215,994,226	₱	66,666,667	30 semi-annual payments	5.4382%	April 10, 2032	
	SBC PHP3.0B Term Loan	₱	3,000,000,000	3,000,000,000	₱	898,536,052	₱	359,097,176	359,097,176	₱	539,438,876	₱	539,438,876	1,614,833,085	₱	various	20 semi-annual payments	5.3166%	May 4, 2027	
	BPI PHP1.0B Term Loan	₱	1,000,000,000	1,000,000,000	₱	299,573,864	₱	119,742,170	119,742,170	₱	179,831,694	₱	179,831,694	432,010,930	₱	various	20 semi-annual payments	5.2059%	June 1, 2027	
	SBC PHP1.0B Term Loan	₱	1,000,000,000	1,000,000,000	₱	498,276,228	₱	66,265,298	66,265,298	₱	432,010,930	₱	432,010,930	215,994,226	₱	33,333,333	30 semi-annual payments	5.4277%	May 4, 2032	
	SBC PHP500.0M Term Loan	₱	500,000,000	500,000,000	₱	249,123,626	₱	33,129,400	33,129,400	₱	215,994,226	₱	215,994,226	1,614,833,085	₱	16,666,667	30 semi-annual payments	5.4044%	May 4, 2032	
	BPI PHP3.0 Billion Term Loan	₱	3,000,000,000	3,000,000,000	₱	1,942,447,349	₱	327,614,264	327,614,264	₱	1,614,833,085	₱	1,614,833,085	1,614,744,161	₱	various	18 semi-annual payments	5.1323%	April 15, 2030	
	BPI PHP3.0 Billion Term Loan	₱	3,000,000,000	3,000,000,000	₱	1,942,280,175	₱	327,536,014	327,536,014	₱	1,614,744,161	₱	1,614,744,161	2,429,134,399	₱	various	18 semi-annual payments	3.56%	April 15, 2030	
	BDO PHP4.5 Billion Loan	₱	4,500,000,000	4,500,000,000	₱	2,965,277,097	₱	536,142,698	536,142,698	₱	2,429,134,399	₱	2,429,134,399	1,079,225,786	₱	various	20 semi-annual payments	4.25% until next repricing date in September 2025	September 10, 2030	
	BDO PHP2.0 Billion Loan	₱	2,000,000,000	2,000,000,000	₱	1,317,336,280	₱	238,110,494	238,110,494	₱	1,079,225,786	₱	1,079,225,786	2,489,031,974	₱	various	20 semi-annual payments	4.25% until next repricing date in September 2025	September 10, 2030	
	Fixed Rate ASEAN Green Bonds Series B	₱	2,500,000,000	2,500,000,000	₱	2,489,031,974	₱	-	-	₱	2,489,031,974	₱	2,489,031,974	2,489,031,974	₱	2,500,000,000	bullet payment	3.7305%	June 25, 2026	
	Fixed Rate ASEAN Green Bonds Series C	₱	3,000,000,000	3,000,000,000	₱	2,967,317,546	₱	-	-	₱	2,967,317,546	₱	2,967,317,546	3,458,141,062	₱	3,000,000,000	bullet payment	6.7478%	May 27, 2027	
	Fixed Rate ASEAN Green Bonds Series D	₱	3,500,000,000	3,500,000,000	₱	3,458,141,062	₱	-	-	₱	3,458,141,062	₱	3,458,141,062	3,456,536,115	₱	3,500,000,000	bullet payment	6.8873%	May 27, 2029	
	Fixed Rate ASEAN Green Bonds Series E	₱	3,500,000,000	3,500,000,000	₱	3,456,536,115	₱	-	-	₱	3,456,536,115	₱	3,456,536,115	1,496,887,375	₱	3,500,000,000	bullet payment	7.0626%	May 27, 2031	
	BPI PHP2.0 Billion Term Loan	₱	2,000,000,000	2,000,000,000	₱	1,695,992,349	₱	199,104,974	199,104,974	₱	1,496,887,375	₱	1,496,887,375	1,493,230,284	₱	various	18 semi-annual payments	7.75% until next repricing date in March 2025	March 21, 2032	
	BPI PHP2.0 Billion Term Loan	₱	2,000,000,000	2,000,000,000	₱	1,691,256,889	₱	198,026,605	198,026,605	₱	1,493,230,284	₱	1,493,230,284	2,235,451,715	₱	various	18 semi-annual payments	6.6038% until next repricing date in March 2025	March 21, 2032	
	BPI PHP3.0 Billion Term Loan	₱	3,000,000,000	3,000,000,000	₱	2,531,581,864	₱	296,130,149	296,130,149	₱	2,235,451,715	₱	2,235,451,715	646,768,802	₱	various	17 semi-annual payments	6.6038% until next repricing date in March 2025	March 21, 2032	
	UBP PHP1.0 Billion Term Loan	₱	1,000,000,000	1,000,000,000	₱	745,775,803	₱	99,007,001	99,007,001	₱	646,768,802	₱	646,768,802	1,681,481,876	₱	50,000,000	20 semi-annual payments	5.831567% until next repricing date in March 2027	March 24, 2032	
	SBC PHP2.6 Billion Term Loan	₱	2,600,000,000	2,600,000,000	₱	1,938,886,477	₱	257,404,601	257,404,601	₱	1,681,481,876	₱	1,681,481,876	970,887,926	₱	130,000,000	20 semi-annual payments	5.7829% until next repricing date in March 2027	April 19, 2032	
	CTBC PHP1.5 Billion Term Loan	₱	1,500,000,000	1,500,000,000	₱	1,117,656,943	₱	146,769,017	146,769,017	₱	970,887,926	₱	970,887,926	1,396,407,254	₱	various	10 semi-annual payments	6.1869%	June 8, 2027	
	BDO PHP2.0 Billion Term Loan	₱	2,000,000,000	2,000,000,000	₱	1,595,392,066	₱	198,984,812	198,984,812	₱	1,396,407,254	₱	1,396,407,254	2,089,233,502	₱	100,000,000	20 semi-annual payments	6.7029% until next repricing date in March 2025	September 3, 2032	
	BDO PHP3.0 Billion Term Loan	₱	3,000,000,000	3,000,000,000	₱	2,386,194,560	₱	296,961,058	296,961,058	₱	2,089,233,502	₱	2,089,233,502	1,398,339,119	₱	150,000,000	20 semi-annual payments	6.7029% until next repricing date in March 2025	September 3, 2032	
	CBC PHP2.0 Billion Term Loan	₱	2,000,000,000	2,000,000,000	₱	1,597,031,449	₱	198,692,330	198,692,330	₱	1,398,339,119	₱	1,398,339,119	1,394,466,292	₱	100,000,000	20 semi-annual payments	6.1389% until next repricing date in October 2027	October 5, 2032	
	CBC PHP2.0 Billion Term Loan	₱	2,000,000,000	2,000,000,000	₱	1,592,076,112	₱	197,609,820	197,609,820	₱	1,394,466,292	₱	1,394,466,292	1,590,360,745	₱	various	19 semi-annual payments	6.1389% until next repricing date in March 2025	October 5, 2032	
	BDO PHP2.0 Billion Term Loan	₱	2,000,000,000	2,000,000,000	₱	1,788,023,420	₱	197,662,675	197,662,675	₱	1,590,360,745	₱	1,590,360,745	2,533,423,658	₱	100,000,000	20 semi-annual payments	6.6819% until next repricing date in March 2025	September 1, 2033	
BDO PHP3.0 Billion Term Loan	₱	3,000,000,000	3,000,000,000	₱	2,829,650,314	₱	296,226,656	296,226,656	₱	2,533,423,658	₱	2,533,423,658	2,533,423,658	₱	various	19 semi-annual payments	6.6819% until next repricing date in March 2025	September 1, 2033		

ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES
SCHEDULE D - Long-term Debt
As of December 31, 2024

Title of Issue and Type of Obligation	Amount Authorized by Indenture		Balance at December 31, 2024		Current Portion of Long-Term Debt		Long-Term Debt (Net of Current Portion)		Interest Rate		Amount and Number of Periodic Payments		Maturity Date
	(In original currency)	(In PHP)	(In original currency)	(In PHP)	(In original currency)	(In PHP)	(In original currency)	(In PHP)			(In original currency)	(Approx in PHP)	
BPI PHP3.0 Billion Term Loan	₱ 3,000,000,000	3,000,000,000	₱ 2,978,486,020	-	₱ -	-	₱ 2,978,486,020	2,978,486,020	6.6381% until next repricing date in March 2025	₱ various	various	18 semi-annual payments	September 12, 2034
BDO PHP3.0 Billion Term Loan	₱ 3,000,000,000	3,000,000,000	₱ 2,978,483,675	2,978,483,675	₱ 295,471,596	295,471,596	₱ 2,683,012,079	2,683,012,079	6.3220% until next repricing date in May 2025	₱ 150,000,000	150,000,000	20 semi-annual payments	November 7, 2034
CBC PHP3.0 Billion Term Loan	₱ 3,000,000,000	3,000,000,000	₱ 2,977,739,948	2,977,739,948	₱ 295,647,698	295,647,698	₱ 2,682,092,250	2,682,092,250	6.5195% until next repricing date in June 2025	₱ 150,000,000	150,000,000	20 semi-annual payments	December 12, 2034
BDO PHP2.7 Billion Term Loan	₱ 2,700,000,000	2,700,000,000	₱ 2,680,194,724	2,680,194,724	₱ (2,381,183)	(2,381,183)	₱ 2,682,575,907	2,682,575,907	6.5889% until next repricing date in June 2025	₱ various	various	18 semi-annual payments	December 19, 2034
TOTAL		91,686,500,000		74,523,780,179		9,095,041,512		65,428,738,667					

ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES**SCHEDULE E - Indebtedness to Related Parties**

As of December 31, 2024

Name of Related Parties	Balance at beginning of period	Balance at end of period
	NOT APPLICABLE	

ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES**SCHEDULE F - Guarantees of Securities of Other Issuers**

As of December 31, 2024

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
		NOT APPLICABLE		

ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES**SCHEDULE G - Capital Stock**

As of December 31, 2024

Title of Issue	Number of shares authorized	Number of shares outstanding	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Number of shares held by Directors and key executive officers
Common Stock	27,000	17,028.079027		7,494 (44.01%) 9,223 (54.16%) 148 (0.87%) 145 (0.85%)	11.000007 (0.06%)
Preferred Stock (Voting)	15,000	9,375		9,375 (100%)	
Preferred Stock (Non-voting)	300,000,000	-			

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

Stockholders and The Board of Directors
Energy Development Corporation
Rockwell Business Center Tower 3
Ortigas Avenue, Pasig City, Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Energy Development Corporation (a subsidiary of Red Vulcan Holdings Corporation) and its subsidiaries (collectively referred to as the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 14, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Components of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore

Maria Veronica Andresa R. Pore
Partner

CPA Certificate No. 90349

Tax Identification No. 164-533-282

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-071-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465361, January 2, 2025, Makati City

March 14, 2025



SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Energy Development Corporation and Subsidiaries

Ratio	Formula	December 2024	December 2023
Current ratio	Dividing total current assets over total current liabilities	1.15	1.31
Solvency ratio	Dividing net income excluding depreciation and non-cash provisions over total debt obligations	0.23	0.39
Debt-to-equity ratio	Dividing total interest-bearing debts over stockholders' equity	0.87	0.67
Asset-to-equity ratio	Dividing total assets over total stockholders' equity	2.27	1.99
Interest rate coverage ratio	Dividing earnings before interest and taxes of one period over interest expense of the same period	3.74	5.78
Net debt-to-equity ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	0.71	0.46
Return on equity (%)	Dividing the net income (annual basis) by total stockholders' equity (average)	10.96%	18.11%
Return on assets (%)	Dividing the net income (annual basis) by the total assets (average)	5.14%	9.10%

ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)
AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
DECEMBER 31, 2024

	2024	2023
Total Audit Fees (Section 2.1a)	₱13,278,549	₱13,201,862
Non-audit service fees:		
Other assurance services ¹	8,024,340	3,385,000
Tax services	2,118,827	237,600
All other services	1,585,603	6,090,849
Total Non-Audit Fees (Section 2.1b)	11,728,770	9,713,449
Total Audit and Non-Audit Fees	₱25,007,319	₱22,915,311

¹Includes engagement related to EDC's 2024 ASEAN Green Bonds offering amounting to ₱4.0 million

Exhibit 4

2024 Audit and Governance Committee Report

Year 2024 Audit and Governance Committee Report

The Board of Directors

Energy Development Corporation

The Audit and Governance Committee (AGC) assists the Board of Directors (Board) in fulfilling its oversight responsibility as regards the Company's: a) integrity of financial reporting process; b) effectiveness and soundness of internal control environment; c) adequacy of audit functions, both external and internal audits; and d) compliance with rules, policies, laws, regulations, contracts, and the Code of Conduct and Discipline.

In fulfilling our responsibilities as stated in the AGC Charter and the Company's Manual on Corporate Governance (CG Manual), we confirm that:

Financial Reporting and Disclosures

- We have reviewed with Management and the external auditor (SGV & Co.) the annual audited financial statements and the quarterly interim financial reports and endorsed these to the Board for approval and release to regulatory agencies and creditors. Our review included discussions on the appropriateness of accounting policies adopted by Management, the reasonableness of estimates, assumptions and judgments used in the preparation of the financial statements, the impact of new accounting standards and interpretations, and other key accounting issues and audit results as highlighted by the external auditor.

Internal Control

- We have monitored the effectiveness of the internal control environment through various measures such as the review of the results of the external audit regarding internal control issues; exercising functional responsibility over Internal Audit and the Corporate Governance and Housekeeping Team of the Legal Services Division and receiving reports on work done in assessing key governance, risk management and control components; discussing with Management the major control issues and recommendations to improve policies and processes; and promoting a culture of integrity and ethical values in the Company.

Based on the results of the assurance activities performed by the Company's Internal Audit, the external auditor's unqualified opinion on the financial statements, and discussions with Management, the AGC assessed that the Company's systems of internal controls, risk management, and governance processes are adequate and generally effective.

External and Internal Audit

- We have reviewed the overall scope and audit plan of the external auditor. We also reviewed and affirmed the Management's evaluation on the performance of the external auditor (for the 2023 financial statements audit) and approved the re-engagement of SGV & Co. for another year (for the 2024 audit).
- We have approved the non-audit services rendered by the external auditor.
- We have approved the Internal Audit's annual plan and confirmed that independence is maintained, the scope of work is sufficient and resources are adequate.

Compliance and Corporate Governance

- We have monitored the Company's compliance with applicable laws, rules and regulations and relevant Company policies based on the reports from external and internal audit, CG&H team, and discussions with management.
- We have supported the Company's initiatives to strengthen its corporate governance framework by providing full support to the Company's efforts in (i) maintaining compliance with the Revised Corporation Code and other laws, rules and regulations on corporate governance, in particular, the Code of Corporate Governance for Public Companies and Registered Issuers, (ii) benchmarking CG practices with comparable companies, (iii) improving the CG evaluation system, and (iv) ensuring that our directors, key officers and senior executives comply with the CG requirements on reporting and disclosure, as well as on CG trainings.

Committee Membership and Meetings

- We conducted six (6) meetings in 2024. AGC Chairman M. I. Ayala, Directors S. C. Quiniones, TGS. G. Lara and J. C. Russell attended all the meetings, Directors C. Low Eu Sun and R. B. Tantoco attended five (5) meetings.

Assessment of Performance

- We have assessed our performance for the year 2024 based on the guidelines and suggested parameters set by SEC. The assessment results showed that the AGC Charter remains fully compliant with the suggested parameters of SEC and the committee generally complied with the requirements set forth in the AGC Charter and Company's CG Manual.

March 7, 2025

Chairman Manuel I. Ayala

Manuel I. Ayala
Chairman
(September 2016 to present)

Chris Low

Christopher Low Eu Sun
Member
(May 2021 to present)

Sebastian C. Quiniones, Jr.

Sebastian C. Quiniones, Jr.
Member
(May 2021 to present)

Jonathan C. Russell

Jonathan C. Russell
Member
(August 2017 to present)

Director Teresa Socorro G. Lara

Teresa Grace Socorro G. Lara
Member
(May 2021 to present)

Richard B. Tantoco

Richard B. Tantoco
Member
(July 2023 to present)

Exhibit 5

Material Service Contracts and Agreements

Material Contracts and Agreements

Geothermal Renewable Energy Service Contracts

The Company and its subsidiaries currently have thirteen (13) service contracts with the Government for the exploration and utilization of geothermal energy. Three (3) Geothermal Operating Contracts (GOCs) cover geothermal power plant operations, and ten (10) geothermal contract areas are covered by Geothermal Renewable Energy Service Contracts (GRESCs) and Geothermal Service Contracts (GSCs) under the RE Act. The Company's existing geothermal contracts cover the following:

- GRESG
 - Tongonan, Kananga, Leyte
 - Southern Negros, Valencia, Negros Oriental
 - Bacon-Manito, Albay-Sorsogon
 - Mt. Apo, Kidapawan City, North Cotabato
 - Northern Negros, Negros Occidental
- GSC
 - Amacan Geothermal Project, Davao de Oro (Compostela Valley)
 - Mt. Zion 2 Geothermal Power Project, North Cotabato – Davao del Sur
 - Mainit-Sadanga Geothermal Power Project, Mountain Province
 - Mt. Sembrano Geothermal Power Project, Pililla and Jalajala Rizal; Pangil and Pakil Laguna
 - Buguias-Tinoc Geothermal Power Project, Buguias and Tinoc, Ifugao
- GOC
 - Palinpinon Geothermal Power Plants in Valencia, Negros Oriental
 - Tongonan Geothermal Power Plant in Kananga, Leyte
 - Bacon-Manito Geothermal Power Plants in Albay-Sorsogon

The service contracts for the (i) Tongonan; (ii) Southern Negros; (iii) Bacon-Manito; (iv) Mt. Apo; and (v) Northern Negros are in the form of GRESGs. (i) Amacan; (ii) Mt. Zion 2; and (iii) Mainit-Sadanga; (iv) Mt. Sembrano; and (v) Buguias-Tinoc contract areas are in the form of GSCs. The contract for the (i) Palinpinon; (ii) Tongonan; and (iii) Bacon-Manito geothermal power plants are in the form of GOCs. The GRESGs, GSCs and the GOCs were entered into pursuant to the RE Act. Generally, under the service contracts, the Company is appointed as the exclusive party to conduct geothermal operations on behalf of the Government in the relevant contract area and agrees to provide the necessary services, technology and financing for the geothermal operations contemplated therein, and assumes the financial risks for those operations.

Four (4) of the Company's five (5) GRESG contract areas, specifically Tongonan, Southern Negros, Bacon-Manito, and Mt. Apo, are in commercial operation. The GRESGs for the first three (3) contract areas have a term until 2031 (extendible until 2056) while that for Mt. Apo will expire in 2042. The Company's GRESG over the Northern Negros Geothermal Project (NNGP) has been renewed for an additional period of twenty-five (25) years, reckoned from March 24, 2019. The Company has completed the evaluation of the NNGP resource performance and assessment and is currently in the construction phase of the Bago Binary Geothermal Power Plant (BBGPP).

Amacan's GSC has been converted to the new RE contract template per DOE Department Circular No. DC2019-10-0013, with the pre-development period expiring in 2025. Mt. Zion 2's GSC with pre-development period expiring in 2028. The Mainit-Sadanga GSC, issued in October 2021, provides for a seven-year pre-development period, or until 2028. Additionally, two (2) GSCs, namely Mt. Sembrano and Buguias-Tinoc, were awarded to EDC after winning the bid pursuant to Department Circular No. 2023-06-0019, "Adopting the Guidelines Governing the 4th Open and Competitive Selection Process (OCSP4) in the Award of Renewable Energy Service Contracts, and for Other Purposes". All the above-mentioned projects are in various stages of pre-development activities. These sites hold potential geothermal resources in commercial quantity, and if discovered during the pre-development stage, each

service contract shall, with respect to any production area delineated therein, remain in force for the balance of a 25-year period. It is renewable for an additional 25 years if the Company is not in default of its obligations under the service contract.

Under each of the service contracts, all materials, equipment, plants and other installations that are erected or placed on the contract area shall remain the property of the Company throughout the term of the RE Contract and after termination thereof. The Company shall be given one year to remove these facilities; otherwise, ownership shall be vested in the Government.

Under the service contracts, the Company must pay government share to the Government and host local government units, from the proceeds derived from the geothermal operations. Under the GRESCs, GSCs, and GOCs, the Company must pay a Government Share equal to 1.5% of the income derived from the sale of geothermal steam or electricity produced and other incidental income, in addition to income tax payable by the Company.

Wind Energy Service Contracts

The Company holds fifteen (15) WESCs with the DOE. The wind service contracts cover the following:

- 150-MW Wind Project in Burgos, Ilocos Norte;
- Pagudpud Wind Project in Pagudpud, Ilocos Norte;
- Burgos 1 Wind Project in Burgos, Ilocos Norte;
- Burgos 2 Wind Project in Burgos, Ilocos Norte;
- Burgos 3 Wind Project in Burgos and Pasuquin, Ilocos Norte;
- Burgos 4 Wind Project in Burgos, Ilocos Norte;
- Iloilo 1 Wind Project in Batad & San Dionisio, Iloilo;
- Ilocos Norte Wind Project in Burgos and Pasuquin, Ilocos Norte;
- Pasuquin Wind Project in Pasuquin Ilocos Norte;
- Guimaras Onshore Wind Project in Guimaras;
- Guimaras 1 Offshore Wind Project in Guimaras;
- Iloilo-Guimaras Offshore Wind Project in Guimaras;
- Guimaras-Negros Occidental Offshore Wind Project in Guimaras;
- Laguna 1 Onshore Wind Project in Laguna; and
- Negros Occidental Offshore Wind Project in Negros Occidental

EBWPC, a subsidiary of the Company, developed an 87-MW wind farm in Burgos and the WESC for the project was assigned to EBWPC in February 2011. EBWPC submitted a Declaration of Commerciality (DOC) for the project in August 2011 and the same has been approved by the DOE in April 2013. As it has been studied that there is potential for a bigger wind farm in EBWPC's contract area, EBWPC submitted a DOC covering the Burgos Wind Expansion Project. The expansion project added 63 MW of wind power capacity. The DOE's confirmation of the expansion project's commerciality was secured in December 2013. The project started commercial operations in November 2014.

On the other hand, the WESC for the Pagudpud Wind Project was assigned by EDC to EPWPC in June 2012. EPWPC submitted a DOC for this project in February 2013, and the same was confirmed by the DOE in June 2014.

The WESCs for Burgos 1 and Burgos 2 were signed in December 2013, while the WESCs for Iloilo 1 and Negros were signed in August 2014. Further, WESCs for Burgos 3 and Burgos 4 were signed in December 2015 and WESCs for Ilocos Norte and Pasuquin were signed in June 2021. Lastly, the WESCs for Guimaras Onshore, Guimaras 1 Offshore, Iloilo-Guimaras Offshore, Guimaras-Negros Occidental Offshore, Laguna 1 Onshore and Negros Occidental Offshore were all signed in 2022.

Under the WESCs, the Company is obligated to provide the services, technology, equipment and financing for the wind energy operations contemplated by the WESC. The Company assumes the financial risks in case it is determined during the pre-development stage that wind resources in the contract area do not justify commercial development.

Under the DOE's new guidelines pursuant to DC2019-10-0013, the WESC's pre-development stage is now effective for a non-extendible period of five (5) years, provided that the Company shall submit a Declaration of Commerciality at any time during the pre-development stage, otherwise, the term of the WESC shall automatically terminate.

Within the pre-development stage of the wind energy operation, the Company is required to undertake exploration, assessment, harnessing, piloting, and other studies of wind resources. Upon submission by the Company and the confirmation by the DOE of a declaration of commerciality within the pre-development stage, the WESC remains in force for the balance of a period of 25 years from the effective date and can be renewed for another 25 years if the Company has not been in default of any of its material obligations under the WESC.

Solar Energy Service Contracts

The Company holds two operational (2) SESCOs with the DOE. These service contracts cover areas in the following:

- 4.16-MW and 2.66-MW Burgos Solar Project in Burgos, Ilocos Norte; and
- Gaisano Iloilo Solar Power Project in Iloilo City (Solar Rooftop).

EDC developed the 4.16-MW Burgos Solar Project under the Burgos SESCO awarded in August 2014. In the same month, EDC submitted a DOC for the project. The project started commercial operations in March 2015.

Under the same contract, EDC also developed a 2.66-MW solar farm, which is the Burgos Solar Phase 2 Project. EDC submitted its DOC for the project in May 2015. The project started commercial operations in January 2016.

The SESCO for Gaisano Iloilo Solar Power Project was signed in February 2017 and the Project has been operational since March 2017.

Under the SESCOs, the Company is obligated to provide the services, technology, equipment and financing for the solar energy operations contemplated by the SESCO. The Company assumes the financial risks in case it is determined during the pre-development stage that solar resources in the contract area do not justify commercial development.

Under the DOE's guidelines covering the existing SESCOs of the Company, the SESCO is effective for a non-extendible period of two (2) years provided that the failure of the Company to accomplish the first annual milestones, set forth by the DOE and as indicated in the Work Program, shall result in the expiration of the RE Contract. However, the submission of a Declaration of Commerciality at any time during the pre-development stage and the confirmation thereof by the DOE shall supersede the milestone requirement.

Within the pre-development stage of the solar energy operation, the Company is required to undertake exploration, assessment, harnessing, piloting, and other studies of solar resources. Upon submission by the Company and the confirmation by the DOE of a declaration of commerciality within the pre-development stage, the SESCO remains in force for the balance of a period of 25 years from the effective date and can be renewed for another 25 years if the Company has not been in default of any of its material obligations under the SESCO.